

The **NATIONAL UNDERWRITER**

Greetings

to

**NATIONAL ASSOCIATION
of
INSURANCE AGENTS**

assembled at

Pittsburgh

and best wishes for a most successful convention

May your deliberations and decisions result
in even greater service to the insuring public
and to the insurance business generally.

Preferred Accident Insurance Company of N. Y.

and

Protective Indemnity Company

Edwin B. Ackerman, *President*

80 Maiden Lane

New York, N. Y.

AUTOMOBILE • ACCIDENT • BURGLARY • PLATE GLASS • LIABILITY • COMPENSATION

N. A. I. A. PITTSBURGH CONVENTION

THURSDAY, OCTOBER 14, 1943

Get THIS NEW PLAN FOR KEEPING YOUR MAILING LISTS UP-TO-DATE

Are you keeping your name and service before policyholders and prospects during these busy days when personal calls are hard to make? With so many wartime changes are you impressing the fact on your community that you are still operating your agency—ready to provide up-to-the-minute service?

In a survey among leading local agencies we found that a large majority are convinced of the value of an up-to-date mailing list but that in many cases the "spirit is willing but the flesh is weak." Time and office help are at a premium so in order to maintain a regular and efficient direct mail plan we have devised an effective mailing list maintenance plan for local agencies based on the experiences of agencies set forth in the survey.

Once you get your mailing list established on this practical plan which gives full consideration to the shortage of competent office help, you'll wish to send out a regular mailing each month. To meet this problem, The National Underwriter publishes the Insurance Buyers' Digest each month which contains news and educational material which your customers and prospects will read with interest. We'll be glad to send you a copy of the Insurance Buyers' Digest along with the mailing list plan so you can see for yourself how this inexpensive monthly miniature newspaper will aid you in solving your own public relations problem.

Mail the coupon today and we'll be glad to send you copies of both the results of the survey and the Insurance Buyers' Digest.

Mail the Coupon
TODAY and put the
BUYERS' DIGEST
to work for
YOU!

MAILING LIST PLAN FOR LOCAL INSURANCE AGENCIES

Prepared By The Insurance Buyers' Digest, 175 W. Jackson Blvd., Chicago, Ill.

One of the most difficult problems faced by local agents is the maintenance of mailing lists for circularization of customers and prospects.

To attempt to get the answer to this problem a survey was made of methods used by leading local agents by the Buyers' Digest department of The National Underwriter. The following plan was evolved after a study of responses from 37 agencies in various sections and in different size cities.

The majority of agents agreed that a mailing list is important but with office help and time at a premium, practical aspects have to be considered. With this in mind, the Buyers' Digest mailing plan was worked out and it is presented to you along with pertinent comments regarding various phases of mailing list maintenance.

This Buyers' Digest Mailing List Plan:

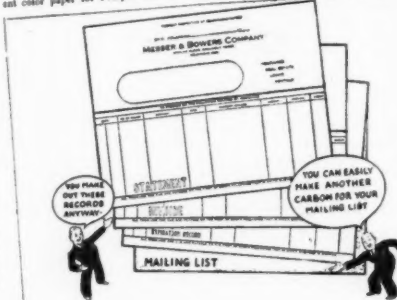
1. Requires a minimum amount of time.
2. The person who types out the statements, invoices, and expirations in one operation, by means of carbon, makes out an additional "Mailing List" Sheet at the same time.
3. The Mailing List Sheet is the same size as the other forms but, is on a different color paper.
4. It isn't necessary to print the Mailing List Sheet although it will facilitate handling if "Mailing List" is printed at the bottom such as "Invoices", "Expiration Record", etc. on the other sheets.
5. When the Mailing List Sheet is filed, if the customer has more than one policy, duplicates can be thrown away after possible change in address are noted.
6. In large offices names of the solicitors are indicated on the invoice so this information will also appear on the Mailing List Sheet so that if a solicitor wishes to send out an individual mailing to his customers the names can be selected by the typist.
7. Regardless of whether or not you send separate mailings to prospects or

customers, you will find it advisable to keep the lists in one file on the same size sheet to save additional checking for duplications. You can use a different color paper for Prospect Mailing

List Sheets than you do for Customer Mailing List Sheets for identification purposes. When a prospect buys a policy his Customer Mailing Sheet will automatically be substituted for his prospect sheet.

8. If you maintain a record of the various lines carried by the insured, such a record showing lines carried by agency, by other agencies and lines which should be carried can be printed at the bottom of the Mailing List Sheet as the typing on the invoice, etc., rarely extends to the bottom of the sheet.

9. If you wish to grade your customers and prospects so that only certain types of mailings will be sent them, you can designate sheets by a code such as "P" for personal business, "Merc." for mercantile risks and "Mfg." for manufacturing risks. You can also key the list by premium amounts by having "A" stand for \$50 or less, "B" for \$50 to \$100, etc. In addressing lists the typist can be in



Get a Copy of this
SPECIAL REPORT

Since the Insurance Buyers' Digest was established nearly two years ago it has had a marked growth in circulation. Although many leading agencies in every section of the country are distributing copies each month, there are still a number of cities and towns where there are opportunities for live wire agencies to use the Buyers' Digest plan for keeping in regular touch with customers and prospects.

National Underwriter Co.
175 W. Jackson Blvd.
Chicago 4, Ill.

Send me a copy of the Mailing List Plan for Local Agencies and samples of the Insurance Buyers' Digest.

Name

Address

City State

DPC Rating Is Closed Issue in Washington

Ohio Agents Consider Court Fight—Hilgemann Reports at Pittsburgh

PITTSBURGH—The fact that the Ohio Association of Insurance Agents has given consideration to the idea of engaging in litigation to test the legality of the arrangement whereunder Defense Plant Corporation business is written at a 10% rate discount and it is specified that the producer shall receive a maximum of 5% commission was revealed by L. C. Hilgemann of Milwaukee at the Pittsburgh convention of the N.A.I.A. He reported as chairman of the Factory Insurance Association conference committee. Although the Ohio organization is not a constituent member of the N.A.I.A., the national committee as much as possible has kept advised the officers of the Ohio unit of developments in the DPC issue.

"There was a tendency on the part of the Ohio agents' association," Mr. Hilgemann said, "to test the legality of the arrangements under the Ohio laws, but we, believing that as a committee we represented the National Association of Insurance Agents, have counseled them against such a test because the results would be bound to react against agents of other states."

War Time Contribution

"While the committee does not condone the plan which we believe is in contravention of various state laws, this specific problem is wrapped up in our general problem resulting from the exigencies of war. We all realize that under the circumstances there are many situations whereby the wishes of the federal government transcend state's rights, and there is some justification in the argument that if it had not been for the war, there would be no need for insurance on DPC properties. Even though we object to this rating method we most emphatically consider it to be inadvisable and indeed unpatriotic under the present war conditions to further oppose the government ruling." Mr. Hilgemann said that this is another contribution on the part of the agency system to the war effort and the public authorities should be made to realize the extent of the contribution.

Mr. Hilgemann recommended that hereafter any further conferences with the Factory Association be carried on by a sub-committee of the executive committee.

Anti-Discrimination Laws

Many agents in various states have the opinion that the DPC scheme violated anti-discrimination and anti-rebate laws. The first case in point developed in Mississippi where the attorney general ruled that the arrangement was illegal, whereupon DPC placed the insurance with the factory mutuals who were exempt from the state ruling. The result was that there was no business for the stock companies nor local agents.

Feeling that the agency service in connection with DPC business had not been presented in the proper light before DPC officials, a meeting was arranged with Secretary Jesse Jones last April.

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Winchell Gives Some Hot Tips on Insurance

NEW YORK—Predicting that the administration would "probably" introduce a bill for a government insurance company, Walter Winchell, in his Sunday night broadcast over the Blue network said that U. S. Attorney-general Biddle would personally appear before the United States Senate "to battle the insurance trust legislation."

"Mr. Biddle considers this test case, which will reach the highest court, the most important in 100 years," Winchell continued. "The administration will accept full battle with this large financial empire, probably introducing a bill for a government insurance company."

Mentions Personalities

"Behind the scenes it represents also a very bitter fight between the attorney-general of the United States, Mr. Biddle, and his former U. S. attorney, Tom Cahill of New York, both new dealers. The fight will most likely result in an insurance probe rivaling the Wall Street expose, either grand jury or congressional."

Mr. Cahill is a member of the law firm of Wright, Gordon, Zachry, Parlin & Cahill, counsel to the Southeastern Underwriters Association in its defense against the Department of Justice's anti-trust action.

BITTER OVER PEARSON'S BLAST

A wave of indignation has swept the insurance business from coast to coast over the charge of Drew Pearson, the columnist and radio broadcaster, that the fire insurance companies had gotten up a \$700,000 "slush fund" to promote passage of the bills in Congress to exempt insurance from interstate commerce. A number of insurance men who rarely see eye to eye with President Roosevelt, remarked that for once the insurance business and Mr. Roosevelt are in complete accord in their views on the subject of Drew Pearson. It will be recalled that rather recently Mr. Roosevelt went to unusual lengths to chastise Drew Pearson for what he had been saying about the relations of the state department with Russia.

T. R. Mansfield, executive vice-president of Gulf, wrote a strong letter the other day to the editor of the Dallas "News" which had published the Drew Pearson column. Mr. Mansfield stated that the article is so full of misinformation as to cause the readers to form incorrect ideas. He referred to Pearson's statement that if the bill passes "the fire insurance companies can get together to hike or adjust rates, without competition at the expense of the public. It also means that the justice department will be powerless to stop them." Mr. Mansfield asked whether Mr. Pearson is totally unaware of the existence of regulatory laws in every state. The fire insurance business is already regulated from many different angles and any attempt at federal regulation would just be one more finger in the pie, he said.

"A series of events in Washington, commencing several years ago and continuing down to the current efforts of federal authorities to convict insurance companies of violation of the Sherman act," Mr. Mansfield wrote, "indicate quite clearly to me there is a clique which has for its ultimate object the taking over of the insurance business—lock, stock and barrel. The present course of the federal authorities is just one more link in the chain which this clique intends to forge around the neck of the insurance companies. Naturally, the companies object to being legislated out of existence."

Mr. Mansfield went on to describe the

Ill. Agents Law Activity Comes to a Halt

The Illinois insurance department presently is issuing no new agents or brokers licenses, and it is making no effort to enforce the agents and brokers' law in any way. As a matter of fact, it is declining to answer any questions on the subject. This is due to the fact that a temporary injunction was issued the other day by Circuit Judge LaBuy of Chicago at the instance of Graeme H. Smith, life insurance agent at 208 South LaSalle street, Chicago, restraining the department from enforcing the agents and brokers' law. The writ is returnable Oct. 18. Some time ago when the department called a hearing to determine whether Mr. Smith's license should be renewed this year, Mr. Smith obtained an injunction restraining the department from holding such a hearing. Later the injunction was extended to its present scope. Mr. Smith alleges that the law is unconstitutional.

It is understood that many of those desiring to become licensed just now are making application and when they get a letter from the department saying it can take no action they proceed to engage in the business, assuming that they are incurring no penalties in so doing.

system of state regulation with particular reference to Texas. He pointed out that the Texas rates are now on a plane which does not cover losses and expenses and this is particularly true of tornado rates. He stated that the figures and rate formulae of the state insurance board itself show that an increase of tornado rates of about 65% is justified.

Mr. Mansfield explained that in the nature of things fire insurance companies must carry on their business in a cooperative way to spread risks and to provide inspection. There must be stabilization of rates in order to prevent discrimination between property owners and to preserve financial solvency. This is not restraint of trade or any degree of monopoly and even if the federal government should take over it would find it necessary to do exactly what the states are now doing.

As to the "slush fund" allusion, Mr. Mansfield stated that undoubtedly the companies have raised a fund to help pass the legislation and everyone knows that it costs money to get any kind of legislation passed. However, it is not a slush fund unless it is used for bribery or some other illegal way. "Personally I do not think Pearson knows any more about the slush fund angle than he does about the authorship of the bill."

National Underwriter Gets Out Bulldog Issue

The National Underwriter this week got out what is known in the newspaper business as a bulldog edition. Its usual press day is Wednesday but in order to get several hundred copies of this week's paper to Pittsburgh for distribution at the annual meeting of the National Association of Insurance Agents, an early edition was put on the press Tuesday and the copies for the convention were taken to Pittsburgh by special messenger on the night train to be distributed Wednesday morning. The paper is being remade on Wednesday to incorporate later news, for the regular mail edition.

Commissioners Ponder Anti-Trust Exemption Bill

Executive Committee Adopts Carefully Composed Resolution

After deliberating for a day and a half on what position to take on the bills in Congress to exempt insurance from the federal anti-trust laws, the executive committee of the National Association of Insurance Commissioners in Chicago adopted a carefully worded resolution endorsing state supervision of insurance and appointing a subcommittee of three to study pending and proposed federal legislation. The subcommittee consists of Williams of Mississippi, chairman; T. J. Cullen, first deputy of New York, and Jones of Illinois. The resolution reads:

"Whereas, it is the consensus of the executive committee of the National Association Insurance Commissioners that the interests of the insuring public can best be served by proper supervision on the part of state governments, and in keeping with constitutional limitations as defined by the United States Supreme Court over the past 75 years;

"Now therefore be it resolved that the supervisors of insurance of the several states be urged to continue their study of pending or proposed federal legislation, touching the business of insurance, all to the end that they may protect the policyholders of their respective states and guard against any attempt to usurp the sovereign power of the several states or weaken the American system of free enterprise and;

"Be it further resolved that the chairman appoint a committee of three to keep in touch with such pending or proposed legislation and report to him thereon from time to time."

Ask Many Questions

The executive committee held a short open session at the outset during which the question of this federal legislation was opened but none of the commissioners desired to discuss it publicly. It was obviously the capital topic of the hour for the commissioners, but they wanted to talk it over in an intimate way and make various inquiries. Many considerations were involved and the sentiment of the commissioners had not become crystallized.

The American Life Convention was holding its annual meeting at the Edgewater Beach Hotel at the same time and the commissioners desired to get the views of life insurance leaders. They found that the life insurance people, likewise, were asking questions and were striving to formulate an opinion. There was nothing resembling what might be termed a party line on the question on the part of the life insurance executives.

Not Opposed to Bills

The fact that the commissioners did not adopt a resolution specifically endorsing the bills now pending does not mean that they are in any way hostile to the particular measures. As a matter of fact a number of the commissioners are known to be ardent advocates of these bills and none, so far as can be ascertained, are opposed to them. But

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Public Relations Plan Explained by Averell Broughton

Pattern to Be Followed by National Association of Insurance Agents Shown

Averell Broughton of New York City, recently appointed public relations counsel National Association of Insurance Agents, appeared at the Tuesday morning session of its annual meeting in Pittsburgh. He has left an excellent impression on insurance men. He is feel-



AVERELL BROUGHTON

ing his way and absorbing insurance atmosphere.

He believes that a potent, practical public relations program is of the highest importance. The insurance business, he opined, has many problems at the moment. It faces the threat of federalization.

The Van Nuys-Bailey bill in the Senate is far from being law. Until such a bill is passed he stated the sword of Damocles hangs over insurance unless the U. S. Supreme Court reaffirms the Paul vs. Virginia decision.

The agency system and the agents, Mr. Broughton held, are facing realistic problems. The growth of government corporations, the development of collectionist and cooperative enterprises are at hand. The whole manner of doing business and of living, and of saving and providing for the future and old age is under the pressure of change.

What Public Relations Is

Mr. Broughton stated public relations has been confused with publicity and advertising. Some of the best public relations minds, he finds are officers of large corporations. Public relations, he added, is a matter of hard work, study of public opinion and the methods by which it is influenced.

The first part of public relations, he averred, means study and counsel, investigation and discussion. The second part is the carrying out of the program by the use of various tools and technique including for instance advertising, publicity, radio, talks, written material—in short employing all the means of modern communication which have made the world a very different one from that of even a few years ago.

The demand for public relations activity

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Mutual-Stock Cost Difference Narrows

Mutual Agents Told New Selling Technique Needed—Craft President

NEW YORK—Recent events, particularly in the casualty field, have narrowed the cost differentials between stock and mutual insurance and this was reflected at the annual meeting of the National Association of Mutual Insurance Agents. A number of speakers brought this out in the course of the convention, urging agents to devote more time to study, taking up the program of the American Institute for Property and Liability Underwriters, and give their insured a better insurance service through the use of surveys in order to discover their insurance needs. H. H. Murray, Jr., Raleigh, secretary of the association, stated this point very clearly in his talk, which was received with close attention. He said that the "terrific" difference in cost between stock and mutual insurance was a thing of the past. The insured wants advice from his agent, not suggestions on how to cut cost. Too many agents are inclined to sell patent medicine, he stated.

Threat to Private Enterprise

The threat to private enterprise by government encroachment, post-war plans, a public relations program, and the facts on insurance buying habits revealed by the Curtis Publishing Company survey also appeared to be subjects uppermost in the minds of mutual insurance people. J. S. Kemper, president of Lumbermen's Mutual Casualty, showed that there is no reason why business should not continue on in the best American traditions in the post-war period. A stimulating address on the future of mutual insurance was given by Ambrose Kelly, secretary and general manager American Mutual Reinsurance, who pointed out the strides mutual insurance had taken in the past five years, predicting they would continue in the future.

His talk probably was the highspot, from an inspirational standpoint, of the convention.

Craft Is New President

Floyd H. Craft, Greensboro, N. C., vice-president for five years and one of the wheelhorses of the association, was elected president. Mr. Craft demonstrated he was an excellent presiding officer in his brief occupancy of the chair and introduced his associates at the banquet as follows: Russell Davis, Columbus, O., who succeeds Mr. Craft as a vice-president, and W. Harold Howatt,

New Colo. President

Floyd S. Padgett of the Padgett Realty Company at Colorado Springs is



FLOYD S. PADGETT

the new president of the Colorado Association of Insurance Agents. He was elected at the one-day annual meeting in Denver. Mr. Padgett is a charter member of the Colorado Agents Association which was organized 13 years ago and he has always been a leader in the organization. He succeeds Harold R. Koster of Salida. The Colorado agents association is one of the progressive organizations of the country.

Springfield, Mass., J. C. McGee, Jackson, Miss., J. E. Magnus, Chicago, and G. E. Phelan, New York, vice-presidents; H. H. Murray, Jr., Raleigh, secretary, and J. H. Kroll, Washington, who succeeded H. A. Lethbridge, Baltimore, as treasurer. P. L. Baldwin, Washington, continues as executive secretary.

R. C. Baker, secretary of the Mutual Fire Insurance Association of New England, urged the organization of a joint public relations program for the industry, including both stock and mutual fire and casualty companies and life companies.

Calling centralized government "the scourge of the world and the end of the American way of life," Brig.-Gen. R. W. Johnson, formerly vice-chairman of War Production Board, said it is desirable to move the operations responsible for industry in Washington back to the places where it is done. He urged business men to shoulder responsibilities in their own communities. Two out of three persons employed in the United States work for the 165,000 smaller firms; which have no manpower problems and are the greatest pool of manpower in the nation. It has been discovered, General Johnson said, a washing machine is just as important to the war effort as a bomber. The woman warworker remains home from her work to spend a day or two doing the laundry when she does not have a washing machine. Unless civilian needs are provided for, the weapons of war won't be produced.

Mr. Craft, the new president of the association, is a past president of his state association and called the organization meeting of the North Carolina Association of Mutual Insurance Agents in 1935, the year he established his own

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Commissioners' Dates Are Changed to Nov. 28-Dec. 1

Commodore Hotel Instead of Pennsylvania—Executive Committee in Chicago

The winter meeting of the National Association of Insurance Commissioners is to be held at the Hotel Commodore, New York, Nov. 28-Dec. 1, rather than at the Hotel Pennsylvania in that city, Dec. 5-7, it was decided by the executive committee at its meeting at the Edgewater Beach Hotel, Chicago. The change was made because the Pennsylvania, which has been for years the meeting place of the commissioners, was not able to accommodate the group until after the middle of December. The meeting would still be linked to the annual convention of the Life Presidents Association, immediately preceding rather than immediately following the latter. The Life Presidents meeting is set for Dec. 2-3 at the Waldorf-Astoria.

A number of the commissioners were in favor of switching the meeting place either to Chicago or St. Louis, but inasmuch as Harrington of Massachusetts, the president, had canvassed the New York hotels and taken an option on the Commodore for those dates, the executive committee decided to continue with the New York plan.

Gontrum to Speak

The committee decided to invite Judge John B. Gontrum, who just recently resigned as Maryland insurance commissioner and who is a powerful orator, to address the New York meeting.

McCormack of Tennessee, chairman of the executive committee, presided. The commissioners the first day were guests of the American Life Convention at the distinguished guests luncheon which was addressed by Governor Hickel of Iowa. On the second day they were luncheon guests of A. V. Gruhn, general manager of the American Mutual Alliance. Commissioners on hand in addition to the president and chairman included: Fraizer, Nebraska; Viehmann, Indiana; Jones, Illinois; Williams, Mississippi; Lockhart, Texas; Graves, Arkansas; Scheuffer, Missouri; Johnson, Minnesota, the vice-president; Read, Oklahoma, the secretary; Sullivan, Washington; Crabbe, Ohio; Erickson, North Dakota, and Allyn, Connecticut.

A. N. Guertin, New Jersey actuary, represented his state and T. J. Cullen, first deputy, was New York's man. George Goodwin, Connecticut deputy, was present to conduct a meeting of the accident and health subcommittee. M. R. Prentner, North Dakota actuary, accompanied Commissioner Erickson.

Only a handful of camp followers was on hand at this meeting.

Federal Legislation Big Topic

The question that dominated the discussions was the legislation that has been introduced in Congress to exempt insurance from the federal anti-trust laws. An account of the commissioners' deliberations on this subject appears elsewhere.

The commissioners had only a brief open session at the beginning and most of their deliberations were in executive session. A formal agenda had been prepared but there was no official statement as to the nature of any of the discussion or action taken other than on the federal legislation issue.

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THIS WEEK IN INSURANCE

Insurance commissioners executive committee, at Chicago meeting, devotes most of its attention to the bills in Congress to exempt insurance from the federal anti-trust law. **Page 1**

Report is given on conferences with Washington officials by agents committee on Defense Plant Corporation rating issue by L. C. Hilgmann at Pittsburgh convention. **Page 1**

Time and place of winter meeting of National Association of Insurance Commissioners is changed. **Page 2**

Fire company accountants should learn more about statistics, E. P. Smith of Norwich Union tells Insurance Accountants Association. **Page 4**

Time-savers in design and handling of daily reports suggested by E. G. Crapser at Insurance Accountants Association conference. **Page 5**

Due to the fact that the cost differential between stock and mutual insurance is being narrowed, those attending the annual meeting of the National Association of Mutual Insurance Agents were advised to revise their selling technique. **Page 2**

National Association of Insurance Agents holds its annual meeting in Pittsburgh. **Page 19**

J. F. Morgan reelected president of Pennsylvania Association of Insurance Agents in brief meeting at Pittsburgh. **Page 3**

Insurance Accountants Association holds annual gathering in New York. **Page 3**

Associated Mutuals of Georgia assail Governor Arnall for giving the mutual part of the state fire insurance to Atlantic Mutual of Savannah, Ga. **Page 3**

Good post-war market for fidelity line is predicted by Alexander Foster in Pittsburgh address, due to the fact that so many employers during the war period are getting a taste of the value of such coverage. **Page 28**

Bad A. & H. experience will cause government to pay more under War Department group insurance rating plan than on usual basis. **Page 51**

Optimistic view of post-war era given by Edward C. Stone in Seattle talk. **Page 51**

Program is announced for the annual meeting of the Kansas Association of Insurance Agents in Topeka. **Page 61**

U. S. Fidelity & Guaranty to increase capital \$8,000,000, making that item \$10,000,000. **Page 60**

David A. North, in presidential address at N.A.I.A. meeting, dwells upon public relations program. **Page 24**

Pennsylvania Assn. Reelects Morgan in Curtailed Meeting

Other Officers Remain at Helm, Pittsburgh Board Wins Award

By J. T. MALONEY

PITTSBURGH—With membership rolls at the highest point in 14 years and only exceeded once in the entire history of the association, members of the Pennsylvania Association of Insurance Agents heard reports of a very successful year when they gathered for their annual meeting. The officers were reelected for another year: J. F. Morgan, Lewistown, president, W. F. McCormick, Williamsport, and D. F. Ancona, Reading, vice-presidents, C. H. Thumma, Harrisburg, treasurer, and Frank D. Moses, Harrisburg, secretary manager. H. D. Wolff, Easton, is again National state director.

"The interest and well being of the insuring public is the yardstick by which we measure our acts and policies," President Morgan said when opening the meeting. "Every man has a right to make a living and in this business every man should be qualified to sell and service the product which we furnish to the public. We want those who have left our ranks for military service to return to a business as good and even better than when they left. Nothing can be left undone by agents and producers to make our business a great public service. The National association has made a great step forward in inaugurating the public relations program. Agents must support it with enthusiasm."

Membership Increased

When submitting the report of the membership committee, Chairman D. F. Ancona of Reading reported an increase in membership and the largest number in the past 14 years. He said only once in the entire 54 years the association has been in existence has the membership been larger and that was in the lush year 1929. The Pennsylvania association is now sixth in membership of all state associations. As the state has the second largest premium volume, a still larger membership is expected. Finances of the association are in fine shape with a balance in bank, thanks to the good work of Walter Anderson, Washington, and his special finance committee.

Legislative Record

All bills presented in the state legislature are carefully checked to determine their possible effect on the insurance business. Of the 1,747 bills last year, a legislative year, 227 required special attention by the legislative committee. The number affecting insurance seems to be on the increase. Not a single bill passed the legislature which might be regarded as detrimental to insurance. Some helpful bills went through. A bill authorizing casualty companies to cover any loss to mining equipment below the surface of the ground was included. Another relating to unemployment insurance by experience rating reduced the cost from 2.7% to a range of from 1% to 2.7%.

Support for the federal Senate and House bills now in committee which express intent of Congress to exempt insurance from application of interstate commerce was urged by J. B. Ladley, Pittsburgh. A resolution calling upon all boards and members to support the bills was passed. Many customers, particularly large buyers of insurance, are not only willing but glad to lend support

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Insurance Accountants Unit Is Growing in Influence

NEW YORK—The fourth annual conference of the Insurance Accountants Association included much material of general as well as technical interest and drew an attendance of 225, by far the largest of any of these conferences to date.

A. N. Butler, vice-president of Corroon & Reynolds, made a very forthright talk on the desirability of maintaining the association as an open and free forum for the expression of opinions unhampered by the fact that a member might find himself at variance with his company's policy or the views of a superior officer. He said that executives, whether members of the association or not, should encourage frank discussion even though the senior officer might disagree with a junior executive.

Curtailment Not Constructive

"Curtailment of free expression can never be constructive," he said. "If it should develop, then a substantial part of what your organization was formed for will have been lost. I frankly believe that some company top officials look upon this association as another bureau and not only do not encourage but actually frown upon any expressions here that do not have advance company's approval."

"Again, just as frankly, I do not believe that such an attitude can be challenged if by any remotest chance, the accountant's remarks can be construed as representing the policy of his company or his senior officers. On the other hand, the company executives have their own organization at which there are free and open discussions of company policies—or resignations—and if members of this association in their meetings are to expound only company policies and not personal views then it ceases in actual fact to be an insurance accountants association which provides a means for discussing subjects of interest and the interchange of ideas. It might just as well be still another company organization or bureau."

Won't Inject Self in Discussions

Mr. Butler said that as far as he was concerned he would not interfere with the free expression of ideas or opinions as given at the association's meetings, "nor will I even indirectly embarrass such free expression by injecting myself as a senior officer into these discussions." He said that if he had an opinion to convey to the association, "I'll ask our chief accountant to express it as my own and if at any time I want our company's attitude laid before you our chief accountant will do it and, if he wants to, he will be at liberty at the same time to state as definitely as he wants to that he thinks differently."

In his presidential address, E. S. Stryker, Firemen's, said that while the association has always cooperated with the National Board on accounting and statistical problems he thought much more could be accomplished for the association's companies if the National Board committees would call upon the association for advice on accounting and statistical problems. He pointed out that since the membership represents those who are familiar with these problems they should be well qualified to contact the state officials in regard to them. He suggested that the members convey this thought to their executives.

Mr. Stryker also recommended that the association send its president or some other officer to the annual convention of the National Association of Insurance Commissioners and to the annual conference of the Insurance Accounting & Statistical Association and pay the entire expense involved. He expressed the opinion that the benefit to the association resulting from these contacts would far offset the expense involved.

In his paper on the insurance ac-

countant and insurance supervision, Deputy Superintendent J. Donald Whelehan of the New York department stressed the importance of coding and the tabulation of premiums and losses by classes of risks in accordance with statistical plans required by the various rate-making organizations. He pointed out that "in these days when the fire insurance companies are being subjected to investigations concerning their rate-making activities, it is important that they should be prepared to justify their activities by such supporting statistical data as will leave no room for doubt as to the reasonableness of the rates for the various classes of risks."

Touching on the annual statement blanks, Mr. Whelehan said that while it is quite probable rearrangements and improvements can be made in the annual statement it makes for poor public relations to disregard supervisory regulations and to try to make such changes by indirection. He cited as an example a fleet of companies that adjusted its disbursements to a functional basis instead of reporting gross figures. The examination disclosed that the company had distributed salaries, rents, and the like, to printing, advertising and other operational activities.

Probe Baltimore Fire Fighting Practices

BALTIMORE—The Baltimore Association of Fire Underwriters has launched an investigation of alleged inefficiency on the part of the fire department. This matter has been smoldering for some months.

Henry M. Warfield, manager of Royal and president of the association, was quoted as saying the organization had looked into the way recent fires have been handled.

Guy T. Warfield, Jr., chairman of the executive committee, said the findings will be reported shortly. Charles H. Roloson, president of Central Fire, cited cases of alleged inefficiency. In a laundry fire, he declared, firemen were afraid to go near a tank which they thought contained cleaning fluid. It was actually used for storing water. In another case, he said, firemen poured water into an adjacent building instead of into the one that was on fire. These charges are denied by Fire Chief Travers.

Calvin H. Lambert, Emporia, Kan., officer of the local board there, has been elected commander of the American Legion post.

Ill. Agency Leader Is Moving to Los Angeles

D. V. Moody, who has operated a local agency at Elgin, Ill., for the past 15 years, and served

as treasurer of the Illinois Association of Insurance Agents from 1939-42, has sold his business and is preparing to go to Los Angeles where he will engage in the insurance business. Mr. Moody and his family have been considering making such a move for some time and recently sold their farm as a step in making ready for the change. The purchaser of the agency is Carlos W. Valentine, who has been in the business for some time at Elgin.

Mr. Moody was connected with U. S. Gypsum for a time after graduating from Ohio Wesleyan University and before organizing his agency.



D. V. Moody

Georgia State Cover Decision Provokes Row

Associated Mutuals Assail Governor for Favoring Atlantic Mutual, Ga.

ATLANTA—The new consolidated fire insurance on property belonging to the state of Georgia is being written in two policies, one with stock companies for approximately \$17,000,000 and another for \$3,000,000 in mutuals.

The stock policy is being written by Central of Baltimore, while the mutual policy is with Atlantic Mutual of Savannah, Ga.

W. G. Stephens, Jr., Atlanta general agent for the Central, states that the policies are based on a scheduling of the property being insured. "Engineers and architects are now engaged in setting up the appraised value of all state owned buildings. The exact amount of the insurance, which will cover buildings only, will be determined when this survey is completed."

Reinsurance Arrangements

It is expected that about 150 companies will participate in the reinsurance on the line, Mr. Stephens explained. The exact form in which local agents will participate has not yet been determined. One suggestion, which is being considered by Governor Arnall, is for local agents to handle the reinsurance. Final decision on this point will probably not be reached until the survey of the state property is completed.

Earlier reports that the state line would be written on a blanket policy are not correct. Following the survey each building will be scheduled with its appraised value. Any new buildings erected during the life of the policies will be added to the schedule.

The plan became effective as of Oct. 1. It will eliminate the multiplicity of policies which resulted from the former handling of state insurance. All records will be handled through the office of the secretary of state.

The stock policy in Central has been written through the office of Moore-Fleming, Inc., Atlanta local agency.

E. G. Hitt of Atlanta, president of Associated Mutuals of Georgia, has made public telegrams and letters that he sent to Governor Arnall protesting against certain features of the program. In a telegram Oct. 1, he said he had been advocating for years that state insurance schedules should be placed on the basis of premium taxes paid by stock and mutual companies. He said he has now been advised that \$17,000,000 of the state schedule has been ordered placed with stock companies, \$3,000,000 with mutual companies, the mutual portion to be placed through Hamilton C. Arnall of Newnan, Ga., stock company agent, who also represents Atlantic Mutual of Savannah. According to Mr. Hitt, Atlantic Mutual is exempt from payment of premium taxes and it seems unjust and unfair that the one mutual company that pays no taxes should receive the benefit of taxes paid by competing mutuals. In a letter to the governor on the same day Mr. Hitt stated that about two weeks previously he had been advised as to how the mutual portion of the business was to be handled. Since that time apparently the program has been revised. On the basis of his first understanding, Mr. Hitt said that he issued a binder in the amount of \$3,000,000.

(CONTINUED ON PAGE 10)

Says Accountants Will Have to Study More Statistics

E. P. Smith of Norwich Union Predicts Departmental Pressure for Data

NEW YORK—Though acknowledging his skepticism on the value of statistics for determining fire insurance rates, E. P. Smith, secretary of Norwich Union Fire and secretary-treasurer of Norwich Union Indemnity, expressed the belief that fire insurance accountants should learn a great deal more about statistics than they have been called upon to know in the past. Addressing the fall conference of the Insurance Accountants Association, Mr. Smith said that "whether we are to have an extended use of statistics or not, the study of statistics, combined with the careful study of rating practiced by fire insurance companies, will prepare you to intelligently consider the subject."

Mr. Smith also urged his audience to follow the deliberations of the New York department's study of fire insurance rating, which involves the use of statistics in relation to rates. He said that the conclusions of this group of companies' rating organizations as independent experts whose assistance the department has enlisted, may have a far-reaching effect on the business.

Urges Study of Casualty Data

Because of the much greater use of statistics in rate making in the casualty field as compared with fire insurance, Mr. Smith recommended that the fire insurance accountants make a real study of casualty statistics and rating methods. He said there are good textbooks and recommended the proceedings of the Casualty Actuarial Society as an almost inexhaustible source of material. He also remarked that it might not be amiss for casualty accounts to study some of the fire methods.

Saying that his experience in the casualty business had not reduced his skepticism about applying statistics to fire insurance rating, Mr. Smith observed that the problem is a very difficult one and that there is some doubt that casualty rate-making has proved entirely satisfactory to the companies or the public or even that some of the fundamental problems have been solved, for according to textbooks there is still a question if in certain lines the proper unit for exposure for the development of statistics has been chosen. He said it would be just as difficult or perhaps even more so for the fire companies to adopt a statistical basis and that those who advocate it have yet to prove their case.

Departments Want Statistics

However, he advised the study of statistics not only as a basis for intelligently considering the possible use of a statistical basis for fire rating but because of his conviction that it will become increasingly difficult for fire companies to resist the demands of insurance departments for more reliable statistics. Many departments are charged with deciding on the reasonableness of rates. This means that rates should be adequate so as to insure the companies' solvency for the protection of insured and rates should be fair as between different classes of insured.

The later requirement is the one that gives all the trouble, said Mr. Smith, and causes all the disagreement and is the field where some contend that actuarial science is needed while others

Brings Greetings



C. F. J. HARRINGTON

Commissioner C. F. J. Harrington, of Massachusetts, president National Association of Insurance Commissioners, extended greetings at the get-together dinner of the National Association of Insurance Agents in Pittsburgh.

argue that common sense and judgment are better guides. Warning against carrying statistics too far, Mr. Smith said that excessive refinements are apt to result in pleasing no one and "our efforts will become as fruitless as those of the lord high executioner in the 'Mikado' whose duty sublime was to make the punishment fit the crime."

Departments' Views

It is easy to see why insurance departments prefer the casualty method of rating to the fire, Mr. Smith conceded. When casualty companies submit their rating schedules for departmental examination, whatever their merits or demerits, they do give a full picture of exactly how the rate has been determined and somewhere in the picture there is a definite statistical basis to support their rates.

On the other hand, so many fire rates are what might be called judgment and schedule rates, not backed by any statistical data, that the insurance departments find it very difficult to determine whether they should be satisfied with them or not. Since the departments are thoroughly familiar with the careful and accurate statistics prepared by the casualty companies and know what can be accomplished in lines of business which are probably in most respects just as intricate as the fire business, the departments are hard to convince that there is any sound reason why fire companies cannot produce accurate and full statistics.

Endorse Present Rate Basis

Endorsing the fire companies' natural reluctance to be drawn into any scheme which would tend to change their present basis of rate-making, Mr. Smith expressed the belief that it has been satisfactory, first, in producing adequate but not exorbitant rates for the business as a whole, which have responded to improved conditions, as shown by the reduction in the average rates. Second, the rates produced have enabled the stock fire companies to meet competition from other forms of carriers as well as the casualty companies are doing.

Third, there is apparently very little vocal dissatisfaction with rates on the public's part. The few troubles that have been encountered on that score have been largely political, he said, and in view of this record he questioned the advisability of making any change unless it is sure to result in improvement.

"Our business is complicated enough,"

he said, "and it will probably become more so. Certainly if we attempt to put fire insurance rating on a definite actuarial basis we are in for a large crop of headaches, or you may prefer to call them 'fascinating problems'."

Speculates on Simplified Rating

Mr. Smith said he wondered if, after all, a much simplified system of rating would not better serve the purpose of all concerned and possibly produce as adequate protection at smaller cost to the public as a whole and to most individual policyholders. He cited "the beauties of a simplified method of classification as exposed in the workings of the War Damage Corporation."

Expressing the hope that some day the Insurance Accountants and the Association of Casualty & Surety Accountants and Statisticians might find a common interest that will draw them closer together, he said that "indeed this may be happening right now." He cited as an instance the fact that Cornelius Van der Feen, secretary of the casualty organization, had just joined the Insurance Accountants Association.

"It would do us all good to remember the essential units of insurance principles and remind ourselves that the correct solution of insurance problems is governed by the same general principles," Mr. Smith said.

Woman Leader Opens Office

Elsie M. Matthews, chairman of the Quarter Million Dollar Round Table and past chairman of women underwriters committee of the National Association of Life Underwriters, has opened an office for general brokerage business at 427 Bloomfield avenue, Montclair, N. J. She recently resigned as a personal producer from the John A. Ramsey agency of Connecticut Mutual Life in Newark.

The Carl E. Hoffman agency, Atlantic, Pa., has been sold to John R. Nelson, who operates an agency there.

Mill Losses Are Heavy; \$140,000 Fire in Kansas

Fire in elevator A of the Hunter Mills at Wellington, Kan., last week completely destroyed the structure along with about \$70,000 worth of grain, for a total insurance loss to the Mill Mutuals of \$140,000. The elevator is separated from the mill by a number of storage tanks, and there was some smoke damage to wheat stored in the latter.

The number of fires in flour mills has increased substantially in recent months due to green help, inability to secure replacements of vital mechanical parts, etc. The mills have even resorted to use of wooden bearings impregnated with oil in some machines, where replacements of metal parts are not available. The mill insurance people say that these are ordinarily quite safe in operation, except that they have to be watched a little more carefully than metal bearings. However, a wooden bearing was responsible for the \$200,000 insurance loss at the Montana Flour Mills Co., Great Falls, Mont., in August. A wooden bearing in a temporary grain storage warehouse built of wood apparently was operating out of line, and caused the fire. The insurance was in mill mutuals.

Start Fire Rating Class

The Cook County Inspection Bureau has instituted a fire insurance rating class covering the analytic system, various tariffs and rating information. The fee for the course is \$10. No educational qualifications are necessary. Additional information can be obtained through D. P. Skaer or F. W. Sandels of the bureau.

The Sioux City Insurance Women's Association began its second year of educational programs Sept. 30. The first course is on marine coverages.

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**E. G. Crapser of Meserole
Group Addresses Insur-
ance Accountants Assn.**

NEW YORK—E. G. Crapser, secretary of the Meserole group, offered a number of specific suggestions for simplifying the daily report and the procedures connected with it in his paper presented at the fall conference of the Insurance Accountants Association. Mr. Crapser discussed not only simplifications but also ways in which possibilities of errors might be reduced.

The daily report should be standardized as much as possible, he said, pointing out that the clerical work in connection with these reports must receive mass production methods if expense of operation is to be kept to a minimum. Standardizing all forms of daily reports to the greatest possible extent considering the different types of policies and different state requirements provides the first requisite of mass production methods. However, before this can be accomplished the policies themselves must to some extent be standardized. This is entirely possible even where the state laws appear to require a definite form of policy. In practically every state there is plenty of leeway in the arrangement of the required information to make it possible to standardize, Mr. Crapser said. Though the states may require a certain size type, a certain arrangement of the wording and a certain amount of wording the form and arrangement of a policy is a matter for the company to decide upon.

Must Consider the Agent

"In this connection the agent must be considered," he said. "Obviously the agent does not want to have a different form of policy for every company in his office. However, it is quite obvious that the first company to offer an agent a simplified policy is certainly not going to lose any business by having done so."

Mr. Crapser said that the agent or at any rate the policy-writer may be given considerable assistance in writing the policy if the standard policy is drawn up with the policy-writer in mind. The form should have typewriter spacing throughout. All lines of typing should, where possible, start from the same margin stop. The typing should be so arranged that it may be completed in the least number of lines, that is, get as much information as possible on each line of typing. The premium and rate arrangement is very important. A box setup, using the fewest possible number of horizontal lines is very satisfactory.

Referring to the original optional coverage policies, Mr. Crapser observed that the items to be typed were arranged one under the other, necessitating the spacing of the typewriter eight times to accomplish what was very easily put on three lines by rearranging the information from left to right instead of from top to bottom and incidentally improving the appearance considerably.

In designing a policy it is very often possible to eliminate a good deal of the lineage used for rate analysis, he said. Recently the Texas commissioners indicated that they have accepted the suggestion for a new policy form in which the rate analysis is typed in from left to right, taking up three lines, whereas on the original proof the same information took up a space of 14 lines.

The typist can be aided materially in typing a policy or an endorsement form,

Mr. Crapser said, if instead of having to fill in words or figures within lines of typing, he or she is able to type the necessary words from left to right in more or less of a continuous process. This can be accomplished by putting the printed information either as a part of the line itself or underneath the line of typing. Less space is used if the line is broken and the printed words are inserted. This is not possible, of course, where the state has designated the size of type that must be used for this particular information. It is worth looking into, however, because it saves time for the typist and very often improves the appearance of the finished product, he said.

Instead of fitting the daily report to the punch-card or the punch-card to the daily report, a new start should be made if possible, using one form of daily report to fit as many forms of policies as possible. The information should be arranged in the most logical order and the punch-card information and other records should be made to conform.

Improving the Package

"Design the daily reports having in mind the agent and his reactions," Mr. Crapser urged. "He must prepare his records from the daily report, also. A smart looking daily report and policy will also meet with the agent's approval—the old idea of improving the package. In order to take care of slight variations in different policies the daily reports may be designed so that they are practically blank. This has the added advantage that the type information stands out very clearly, making it easier for the entry clerk or punch operator."

"Place the policy number and the space for the location of the agency with all procedures in mind, including filing. Arrange boxes in proper sequence for all information that must be added in the home office. When having daily reports printed, make the agent's copy and the home office copy exactly alike. Then, if the agent sends in the wrong copy to the home office it doesn't have to be returned. In fact, you won't know it."

Endorsement Forms Important

Mr. Crapser said that while it is customary in many offices to give considerable thought to the drawing up of the policy and daily report the same thought is not given to the drawing up of endorsement forms, though obviously it is just as important to draw endorsement forms properly and the rewards of doing so are great.

Analysis will show, Mr. Crapser said, that any given operation takes longer in connection with an endorsement than in putting through a new daily report, the reasons being the size of the endorsements, the placing of the endorsement on the daily report as well as the make-up of the endorsement itself. All the information necessary for checking the endorsement as well as for entering or punching it should appear on the endorsement itself as part of the original writing if that information is necessary in order to prepare the endorsement, he said.

For instance, the original or term premium on every endorsement is used in order to figure the additional or return premium. The person who did the calculating has the figure and it should be typed on the endorsement at that time. Obviously all dates, rates, changes in amount, etc., should likewise appear. Errors in calculating are easily observed then, and intelligent letters may be written to the agent regarding this. The same care should be used in arranging the placing of this information on the endorsement as is used or is advocated for the placing of information on the daily report itself.

"Make the policy number work for you," Mr. Crapser urged. "It can indicate the type of policy, the company issuing it (of your group), the state in which the agent is located—the agent issuing the policy and the number of policies of the same type previously issued by the agent."

Advocating that companies request

their agents to show in a box on the daily report the rate of commission to be taken, Mr. Crapser pointed out that commission differences make up a great deal of the correspondence between companies and agents and in addition to that commission differences make up a still greater proportion of the work that must be referred to the underwriters for review. If the underwriter has indicated a certain rate of commission and the agent takes another rate, the underwriter must first be given a chance to see whether or not he is correct.

However, if the agent shows the commission on the daily report the underwriter can immediately decide whether or not the agent is correct. In fact this information might even help the underwriters in determining some questionable feature about the risk, he said. Furthermore, if a letter is written immediately in all cases of incorrect commissions the agents are going to like it a lot better than if they hear nothing for two or three months and are then told that they took too much commission.

Class and Construction Data

Mr. Crapser said he didn't know why the class and construction could not also be put on the daily report by the agent. The codes would have to be those required in the agent's state. This procedure would not help those compa-

nies using their own classification, but it might lead to the elimination of separate company classifications, he said, adding that if the New York department in cooperation with the National Association of Insurance Commissioners should work out a new classification in connection with rates it would be a simple matter to tie in the class and rate on the rate card which must be used and this should be of considerable assistance to the underwriters.

Discussing reinsurance, Mr. Crapser said it has been the Meserole group's experience that the reinsurance can be best shown on the reverse side of the daily report in a specially printed block. In this way it can never be detached and the back of the daily report is ample for almost any reinsurance situation, including all additional premiums and return premium entries. The ideal situation, he said, would be to have the underwriters indicate all reinsurance at the time they check or add the commissions and classification information. This means of course that routine underwriting, including mapping, must be done immediately after the daily report is received in the office. This may not be possible on all daily reports but can definitely be done on a great majority of them. It is then possible to put through all the entries on the daily report at one time.

This has the advantage in the first
(CONTINUED ON PAGE 9)



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Rebuke Insurers for Not Consulting Agents on DPC

PITTSBURGH—The National Board of State Directors of the N.A.I.A. at the open meeting Tuesday afternoon went on record that "It was unfortunate to say the least, that the Factory Insurance Association did not consult with agency representatives before accepting the rate and commission reduction arrangement with Defense Plant Corporation." The motion called this a possible violation of agency contracts. The directors reserved judgment on the Factory Association merger and continued the special committee on this subject.

G. W. Haerle of Portland, Oregon state national director who took a prominent part in discussions on this subject, made the motion, stating that it had the approval of L. C. Hilgemann, Milwaukee, chairman of the National association's Factory Association committee. It passed unanimously and without comment.

J. Monroe Shaw, superintendent of the Ohio Inspection Bureau, Cleveland, will address the meeting of the Insurance Women of Cleveland Thursday evening on "The Theory of Rates and Audits."

Only Legislature Can Adopt New N. Y. Policy in Okla.

OKLAHOMA CITY—Attorney-general Cobb has indicated that authority to change the standard form of insurance policies is vested in the legislature alone. His opinion held that the board and the insurance commissioner were authorized to make minor changes that would not affect provisions of the form prescribed by the legislature.

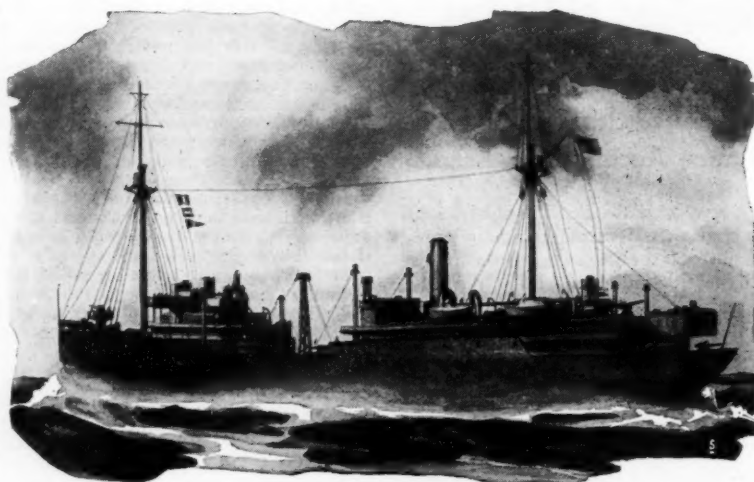
The opinion was sought by the insurance department with the hope that the 1943 New York standard form could be adopted in Oklahoma with waiting for the legislature to convene. The only form prescribed at present by the Oklahoma legislature is based on the 1886 New York standard policy.

Secretary of Newhouse & Sayre

Vincent H. Haidinger, manager of the Los Angeles branch of Newhouse & Sayre, has been elected secretary.

Kalamazoo marked Fire Prevention Week by an inspection conducted by the Michigan Fire Prevention Association. Harry K. Rogers of the Western Actuarial Bureau addressed the luncheon session.

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varieties of rubber to the three synthetic forms available prior to 1940, have developed innumerable common utilities in plastic form, and have made miraculous progress in the utilization of sulfa drugs to prevent and treat infection.

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Accountants Mouths Are Made to Water

Learn at N. Y. Meeting of Tabulating Machinery for After War

NEW YORK—New developments in tabulating machinery, currently reserved for the use of the armed forces, but available for insurance companies after the war were described by J. F. Hickey of International Business Machines at the fall conference of the Insurance Accountants Association. One of the most remarkable of these is a machine which takes the ordinary punched card and transfers the information on it to a narrow paper tape by means of perforations. This type is then sent through a machine which transmits the information by telegraph to its destination where it is reproduced on an identical tape. The tape at the receiving end can then be passed through a machine which records the data on punched cards.

Thus, an agency or branch office in San Francisco could run its month's figures from its punch-cards on to a tape and then automatically transmit by wire to the home office in New York City. Or if such speed in transmission were not essential, the tape could be rolled up and sent by mail at a fraction of the cost of sending duplicate cards, for the information from 1,500 80-column cards can be recorded on a roll of tape only about eight inches in diameter and costing about 25 cents. Incidentally, it is possible to eliminate information that applies to all cards, such as the name of the branch and the month, and have this information automatically inserted as the tape is fed through the card-punching machine at the receiving end.

Used as Duplicate Record

Another use of the tape would be for storing a duplicate record of punch-card information. At the beginning of the United States' participation in the war, many companies located on the east and west coasts were much interested in finding some process of duplicating their punch-cards so that they could be stored at a place remote from possible bombing. If the tape system had been available at that time this would have been a very good solution to the problem, Mr. Hickey said.

Though it is still in the realm of possibility, Mr. Hickey outlined a plan to use an electrical typewriter which would type out the desired information and at the same time punch the information on the paper tape. The tape could then be used in transferring the information to punch cards or transmitting the data by wire to a distant point.

Another development which Mr. Hickey described and which is already in use in some insurance offices to a limited extent is what is called the "mark-sensing" principle. A mark made with a graphite pencil on the proper place on a card becomes the equivalent of punching it with a special machine, for when the card is passed through the mark-sensing device it punches a hole as indicated by the pencil mark. This makes it possible for anyone to add information or to change data on a card without having it go to a special punch-card operator. This in turn means decentralizing much of the work of punching cards.

While the present standard I.B.M. tabulating machine uses an 80-column card Mr. Hickey said that this was by no means the necessary top limit and mentioned the possibility of having cards with anywhere up to 250 columns. Another development, and one which will be ready as soon as the war is over, will be the reproduction from a single card of three lines of printing, such as is necessary with addressing. It is now necessary to employ three cards, one for the name, another for the street, and a third for the city and state. He pointed

Strong Support for S. B. 1362 Is Urged in Washington

SEATTLE—Strong support for Senate Bill 1362, the anti-federal insurance regulation measure, is forthcoming from many parts of Washington, with farmer and business groups joining forces with insurance interests in urging enactment of the legislation.

The most noteworthy developments included adoption of resolutions by the Washington Grange and the Seattle Chamber of Commerce. Other chambers of commerce and farm groups were reported taking similar action in urging the state's congressional delegation to throw its full support behind the proposed legislation.

Grange Stresses Local Control

The present state regulation is eminently satisfactory and to the best interests of the people, because of the local control factor and the better understanding of local conditions, the grange, which operates Grange Fire and Grange Mutual Life, stated in its resolution.

Chamber of commerce trustees approved a lengthy resolution calling on Washington congressmen to support the bill. The resolution traced the development of state supervision, pointed out that in the 50 years the anti-trust laws were in effect no attempt was made to apply them to insurance until 1942. "The application of the anti-trust laws would nullify state regulation and create chaos in the business. Uncontrolled competition in insurance is not desirable in the public interest and cooperation in many phases is essential to the fair treatment of all policyholders. The local nature of the insurance business makes it highly desirable that state regulation be continued," the resolution pointed out.

In the meantime, local agents and brokers throughout the state have been enlisting the support of many other business, trade and farm groups and many communications are going to the Washington congressional delegation urging the enactment of Senate Bill 1362.

MINN. SENATOR OPPOSES BILLS

MINNEAPOLIS—In connection with bills now before Congress to exempt insurance from the anti-trust laws, Senator Joseph H. Ball of Minnesota says it does not jibe with his philosophy of economics and that he will oppose the bills unless strong arguments are presented to him in their favor. Most other Minnesota representatives have indicated a willingness to support the measures.

UTAH BACKS MEASURES

SALT LAKE CITY—The Utah Association of Insurance Agents, the Salt Lake City, Ogden and Provo associations and the Intermountain Fire Underwriters Association have adopted resolutions approving House Bills 3269 and 3270, and Senate Bill 1362. Utah senators and representatives are urged to support the bills. The resolutions were passed at meetings called for the purpose of giving the bills consideration.

out the I.B.M. is constantly studying the possibilities of not only speeding up operations but in reducing the number of operations so as to avoid extra work, also how to combine two or three operations so as to avoid extra work, also how to combine two or three operations so they can be done at one time.

T. M. Gray, executive secretary of the Ohio Association of Insurance Agents, spoke Sunday before the fall conference of Associated Credit Bureaus of Ohio at Granville on "Free Enterprise and the American Agency System."

Place No Ceiling on N.A.I.A. Contingency Reserve Fund

PITTSBURGH—After R. M. L. Carson of Glens Falls, N. Y., presented the report of the finance committee, it was brought out on the floor that the National Board of State Directors of the N.A.I.A. has no control over the budget, this being reserved to the executive committee.

On the question of policy on the National association's contingency reserve fund, the directors' voted to continue building it up without a ceiling. Mr. Carson had recommended that it be built at least to a point where it would cover a year's expenses if revenue should be cut off.

G. & R. Buys 1,500 Shares from RFC: Cuts Bank Loan

Another 1,500 shares of its first preferred stock has been acquired by Globe & Rutgers Fire at \$100 per share from Reconstruction Finance Corporation. There are now outstanding 15,500 first preferred shares with a redemption value of \$1,550,000. Originally in 1934 there were 35,000 shares with a redemption value of \$3,500,000. Globe & Rutgers has also reduced its bank loan by the payment of \$500,000. The original loan was \$6,495,500 and the balance is now only \$650,000.

Prominent Guests at Pittsburgh Surety Lunch

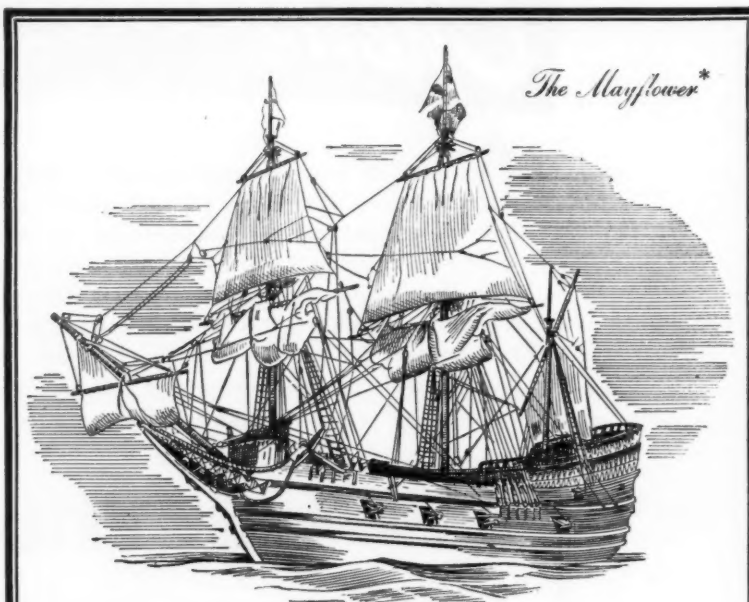
PITTSBURGH—Prominent guests introduced at the Surety Association of Pittsburgh luncheon Tuesday were C. F. J. Harrington of Massachusetts, president National Association of Insurance Commissioners; Ray Murphy, assistant general manager Association of Casualty & Surety Executives; M. W. Lewis, president Townner Rating Bureau; Mrs. Ada V. Doyle, president National Association of Insurance Women; W. Ellery Allyn, Connecticut commissioner; R. W. Thompson, Dallas, president National Association of Surety Bond Producers; Lester F. Beck, chief of Navy insurance division.

Cleveland Insurance Courses

CLEVELAND—Registration was held for insurance courses to be offered by the department of education of the Insurance Board of Cleveland. Instructors are:

Fire—O. F. Gibbs, Atlas; Charles Kwolek, Royal-Liverpool, J. L. Magenheim, North British. Casualty—Edgar L. Kroder, Fidelity & Casualty. Suretyship—G. M. DeMarinis, Fidelity & Casualty. Inland Marine—S. C. Busbee, Commercial Union, and F. W. Treacy, North America.

The classes will meet from 5:45 to 7:15 Monday evenings.



Our Seventieth Anniversary

1873 to 1943

IN 1873, in the days when the stately square-riggers sailed from Boston Harbor to all parts of the world, this Company was incorporated to write *Marine Insurance* under the name of the Boston Marine Insurance Company. It was authorized to write *Fire Insurance* in 1886, and the name was changed to Boston Insurance Company. In 1902, this Company wrote the first *Automobile* policy ever issued in this country. Since then many new lines have been added in Fire, Marine, Automobile and Inland Marine coverages.

THROUGH the years the Company has continued to expand on the principle of its New England founders—conservative growth backed by sound financial strength.

Boston Insurance Company

87 Kilby Street, Boston, Massachusetts

*Drawing from the model at Pilgrim Hall, Plymouth, Massachusetts

Offers Time-Savers in Handling of Dailies

(CONTINUED FROM PAGE 5)

place, of less handling. Second, there can be no doubt that all reinsurance went through in the same accounting period as the original entry. Third, reinsurance errors may be caught in this way. For example, a punch-card operator punching a \$1000 premium would question a \$200 reinsurance entry on the same daily report, whereas if the items reached her in separate packages at different times she would have no way of knowing there was anything to question. Great care should be taken in designing the reinsurance block on the back of the daily report or, on a separate sheet, if that is used. If the back of the daily report is used, the information may be spread horizontally across the 11 inches, thus allowing sufficient space for all columns. It is often possible to print in the names of companies and their code numbers with whom the bulk of reinsurance business is done. Columns should be provided for commissions and original or reserve premiums in addition to the columns usually found in reinsurance blocks.

There is one outstanding principle to be observed in determining the type of filing system for daily reports and that is if possible there should be one place only where any given numbered daily report may be found, Mr. Crapser declared. This is more true today than ever before when the companies have to depend almost entirely on inexperienced help. Numerical filing, he said, is by far the easiest of the various methods of filing. Though in most companies the daily reports are filed either in the underwriting unit or in a central filing unit, separate from both the underwriting and the accounting units, he suggested having them filed in the accounting department or, in an organization where all routine work is under one executive, in a central filing unit in close proximity to the accounting unit.

Example of WDC

Citing the handling of old line war damage insurance as an excellent example of how work can be simplified and handled by comparatively inexperienced clerks, Mr. Crapser suggested that instead of the present system, under which every agent has numerous series of policies, there be developed an insurance contract to which would be attached a form indicating the kind of insurance, in other words, a numbered series of policies, the policy being nothing more than a general insurance contract. The forms would be provided in blank, unnumbered and would not have to be accounted for.

There would be just as many items to be checked at the home office, unless as a development of this change it were found practical to write more than one type of policy on the same policy form. But even if there were just as many items to take care of there still would be only one series of numbered policies for each agent. In the first place this would mean that the agent would not require so large a supply of policies, nor would there be the constant refurnishing of supplies. There would be fewer records set up in the allotment department and with one constant series of numbers for each agent there would probably be fewer errors in checking off the items.

Daily Would Follow Form

If this plan were adopted the daily report would probably be a copy of the form rather than a copy of the policy, just as companies keep a copy of the application form on war damage rather than a copy of the policy itself. Mr. Crapser suggested in designing these forms the following of the idea developed in connection with war damage so that by the use of one-time carbons or spot carbons, sufficient copies for both the agent and home office could be prepared in a single operation. The last copy prepared could be a punch card, a key-sort card, an expiration card or an abstract form. If the paper and carbon

now in use is not good enough to give plenty of readable copies there is no reason why they could not be developed.

"Many agents have entirely too complicated bookkeeping systems," Mr. Crapser continued. "For instance, they probably prepare separate cash cards, expiration records, location records, and bills, in addition to entering items on ledgers, drawing off trial balances, etc. Why couldn't the application forms be so designed that there would be enough copies for all agents' requirements, including an accounting copy which would be used as an accounts receivable record and after being paid would probably be used as an expiration record? A copy of the account rendered to the home office is all the register needed by the agent and in addition a carefully designed cash book will give the agent all of the figures he could possibly need in the conduct of his business. The company would then receive not just one copy of the daily report but as many as are required.

Copies Would Be Attached

"Each company would of course print its own policies and forms, and would print as many copies as it wanted. The agent would probably send them in, still attached one to the other with one-time carbon between, if one-time carbon were used. Therefore, any operation in the home office would be noted on the top copy and through the carbon paper would be recorded on all copies. The copies would then be detached for the various purposes for which they are to be used. The original or top carbon would probably go to the underwriting departments. Another copy could go to the accounting department and a copy to the statistical department."

Mr. Crapser also suggested following the war damage practice and to design endorsements and cancellation forms in the same manner, thus providing copies for all interested parties, all prepared without any extra work for the agent. Also, on losses there is no reason, he said, why something cannot be learned from war damage. He suggested having the assured or his producer prepare the loss records with sufficient copies for all concerned. One of these copies would then become the company record. Additional copies would be used for statistics and other purposes.

Midwest Pa. Agents Hear Alexander at Meeting

An insurance agent's responsibility to his local association is fundamentally his responsibility to himself, his family and to his purpose in life, Ralph H. Alexander, deputy insurance commissioner of Pennsylvania, said in his talk before the meeting of the Midwest Pennsylvania Agents Association in Pittsburgh. The convention was held at the same time as the convention of the National association.

Mr. Alexander pointed out that in a restricted sense, failure of agents to work together reflects the same, though more tragic, failure of nations to do so.

Provides More Freedom

Mr. Alexander said that in any town or city when agents learn to respect each other and each other's business they find it necessary to spend less time in defending their own business and have more and more time for the development of new contacts with people in the community, more chance to develop new business with existing clientele, and can give a higher type of service to assured and to the community in general.

The agent who won't join in association work usually fails for some reason or other to recognize other of his responsibilities, Mr. Alexander said. He has failed to help out in making insurance a better business, his city a better community, and his nation a better place to live in.

STRENGTH IN UNITY

The growth of a profitable all-round insurance business depends largely on the service and cooperation rendered by the Company to the Agent.

This strong company, an affiliate of the 151-year-old Insurance Company of North America, with modern ideas on selling insurance, lends all possible assistance to its Agents . . . making a P. F. & M. representation a most profitable one.



PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

1600 ARCH STREET PHILADELPHIA, PA.

Service Offices located in principal cities

Complete nationwide insurance facilities for Agents and Brokers

Georgia State Deal Provokes Row

(CONTINUED FROM PAGE 3)

Mr. Hitt said that Associated Mutuals of Georgia is a Georgia corporation, employs about 100 persons, probably four times as many as Atlantic Mutual, and pays two to three times as much taxes to Georgia as does Atlantic Mutual. He said he is informed that Atlantic Mutual intends to reinsure part of the risk with General of Seattle which is a stock company and that will mean the stock companies will be getting a still further share of the business.

Primarily Stock Agents

He said that Atlantic Mutual enjoys an immunity in that stock companies permit their agents to do business with Atlantic Mutual and hence most of the Atlantic Mutual agents are primarily stock company agents. Hence practically all of the commission will actually go to stock company agents.

Atlantic Mutual has a surplus of \$855,000 while the smallest of the companies in the Associated Mutuals group has a surplus of more than \$1,000,000, Mr. Hitt stated.

Mr. Hitt in a letter of Oct. 7, stated that the total premium to be paid by Georgia will amount to about \$247,500. If the entire business were placed with mutuals based on a dividend of 20% there would be a saving of \$49,500. Mr. Hitt stated that the Associated Mutuals in May of 1939 terminated all relations with Atlantic Insurance & Investment Co., whose officers are practically identical with those of Atlantic Mutual. Personally, he said, he will not have any dealings with Atlantic Mutual and he is advising his agents that if any portion of the schedule is allotted to them they must deal direct with Hamilton Arnall and look to him for their commission.

Employment of an "insurance expert who is not affiliated with any company or agency" to manage the fire insurance

coverage is being considered, Governor Arnall was quoted as saying. Also he is considering maintaining an advisory insurance committee of former presidents of Georgia insurance association to advise on future procedures.

The consolidation of all state fire insurance on buildings in two master policies was based on recommendation of a committee consisting of W. W. Fambrough of Columbus, George S. Johnson of La Grange, Sidney O. Smith of Gainesville, Hamilton C. Arnall of Newnan and Rutherford Ellis of Atlanta, all past president of the Georgia Insurance Agents Association, except Mr. Johnson.

Many Policies Missing

About half of the several insurance policies covering state property were missing from the state executive department when he took office, Governor Arnall said.

The governor gave this as one reason why he had taken out a blanket policy covering all state property with the Moore-Fletcher agency under an agreement that the insurance be rewritten by agents over the state who were his active supporters during the last campaign.

At the present time, he said, the state insurance has not been placed. The state auditor has undertaken an appraisal of all the property. When this is done 50% of the full value of the property will be covered by insurance. The law of Georgia requires this to be done. In the meantime a binder is in effect on all the state's property in the amount of \$20 million at an open rate to be determined advantageously to the state.

This procedure has already saved the state \$8,000 due to the fact that the recent Farmers Market fire damage was covered.

Arnall said he will later determine as to which local agents shall participate. This participation shall go only to his active friends, he said. The part each receives will necessarily be small. These local agents will be permitted to write the amount of participation awarded to them in any company of their choice. Their policies are to be forwarded to Moore-Fletcher, and thus the policies will serve, in effect, as reinsurance. Full commissions will be paid to the local agents and general agents, and no brokerage or fees will be paid to Moore-Fletcher for handling these details.

Commissioners' Dates Are Changed

(CONTINUED FROM PAGE 2)

One of the items in the agenda was a request from A. V. Gruhn, general manager of the American Mutual Alliance, for an extension beyond March 1 of the deadline for filing 1943 annual statements.

There was some correspondence regarding the treatment for income tax purposes of FHA loans that are purchased by insurance companies at a premium. Inasmuch as these loans may be paid off at any time at par the insurance companies desire to charge off the premium immediately as an expense and it is understood that the Internal Revenue Bureau has informally assented to such a practice.

Electric Co-ops Question

At the final luncheon session Mr. Gruhn was questioned regarding certain aspects of the insurance program of the National Retail Electric Cooperatives Association. The N. R. E. C. A., it will be recalled, some time ago set up Rural Mutual Fire and Rural Mutual Casualty of Maryland to write the insurance for these cooperatives. James Slattery, head of the REA, blocked the scheme, however, contending that it was improper to use funds advanced by the REA to finance these insurance companies. Whereupon the N. R. E. C. A. set about

seeking special insurance schemes from established companies for the cooperatives. Apparently the N. R. E. C. A. is on the point of closing a deal with the Employers Mutuals of Wausau. Employers Mutual has agreed to write the third party coverages at 25% below manual and to pay its customary dividend of 20%; to allow a group discount on all automobiles owned by member cooperatives in addition to the policyholder dividend and to pay the expenses of the insurance department of the N. R. E. C. A. Some questions have been raised as to the propriety of some of these arrangements and Mr. Gruhn was questioned in the matter.

There was also on the agenda material relating to the matter of cooperation on the part of the industry and the insurance commissioners with the OCD in the inspection of war essential plants but no statement was made as to the discussion that took place on that topic.

Crabbe Zone 2 Representative

It was announced that Crabbe of Ohio had been named acting representative of Zone 2 in place of Gontrom.

There was considerable discussion of the workmen's compensation rating situation, centering particularly about the exchange of correspondence between McCormack and C. W. Hobbs, the commissioners' representative on the Na-

tional Council on Compensation Insurance. There was no statement made as to the outcome of that discussion. Mr. Hobbs was in Chicago for the meeting but he was taken sick and was confined to his room under doctor's care the second day when that topic was up.

Pennsylvania Assn. Reelects Morgan

(CONTINUED FROM PAGE 3)

to the effort to pass the bills agents have found out.

Officers of the association commented about support of the campaign for funds for the public relations program of the National association. Some 30 agents not members of the association have pledged financial support to the program, as well as the fine support given by members.

It has always been the policy of the association to render aid to members in distress. Protection of the business of members called to the armed force is in line with that practice. A resolution calling on individual boards and members to safeguard the business of members in military service was passed unanimously. It pledges members to help keep such business intact in the

WE WANT TO PAY....CAN YOU REMEMBER?

Here's an old, old story — But still good.



How many of your clients have completed household inventories? Not many. However, those who do will probably need more insurance — those who don't will appreciate your courtesy in sending them the attractive Security Group Household Inventory Booklet. You can't lose.

Make the most of the Security Insurance Group's sales helps in the October Broadside — poster, sample letter, newspaper mat and the booklet. You wide awake agents just can't afford to let wide awake sales ideas pass you by. Use them.

BUY AN EXTRA

WAR BOND



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FACTUAL APPRAISALS

Impartial Valuations of Industrial and Commercial Property... A quarter century of factual appraisal service to America's more conservative business institutions.

THE LLOYD-THOMAS CO.

RECOGNIZED AUTHORITY ON PHYSICAL VALUES

APPROXIMATELY 150 ENGINEERS

441-15 BAYVIEW AVE., CHICAGO

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JUSTRITE

OILY WASTE CANS
The safety container for oily waste, rags and other flammable material.

SAFETY CANS
For storing and handling explosive or flammable liquids with safety.

Approved by Underwriters' Lab., Inc., and Associated Factory Mutual Fire Ins. Cos.

JUSTRITE MANUFACTURING COMPANY
2067 N. Southport Ave., Chicago, Ill.

SAVE TIME IN ST. LOUIS

STOP AT HOTEL Bennox

ALL ROOMS NOISE-PROOFED
RATES FROM \$3.00

absence of the agent and to protect the companies' interests. If acceptance of associate members in the state association is not incompatible with regulations of the N. A. I. A., the state association may accept such membership in the future. A resolution to that effect was passed on to a committee for consideration.

Want Personal Floater

Two motions were offered by George Hoene, Pittsburgh, relating to the personal property floater and New York 1943 standard fire policy. Both were approved. Writing of the personal property floater in Pennsylvania was recommended. A waiting period of three or four months so the companies may get ready was included in the recommendations. The other resolution calls for adoption of the 1943 New York standard fire policy in this state. Another motion passed advises adoption in Middle Department forms of a clause providing that, if, after policy is written, the form, or an endorsement, or rules are filed under which the insurance is broadened without additional premium charge, such extension or broadening of coverage shall inure to the benefit of the insured.

Newspaper columnists and radio commentators who have recently attracted much public notice by their uninformed attacks on the insurance business came in for discussion. M. V. White of Allentown read a copy of letter he addressed to a newspaper carrying such featured articles. In it he pungently related a few facts well known to insurance men not always recognized by the public in defense of the business. Agents can lend their efforts to enable the commentators to learn to speak and think rightly before they think and speak about insurance. Such national characters often go off half cocked. They are interested more in being sensational than in being accurate.

Local Board Awards

The annual awards for merit were won by the Pittsburgh and the Philadelphia boards. The John B. Ladley award for the most progressive service to the insurance business was won by the Pittsburgh association for the past two years and again went to the same association. It is for outstanding activities in state and national association work as well as individual activities of members. The James W. Henry Memorial award goes to the board showing best record in membership and maintenance of membership rolls. This was won by Agents and Brokers Association of Philadelphia and Suburbs. President Morgan, when giving the awards said plans are underway to establish two other annual prizes for associations in ordinary territory as well as excepted territory.

As a result of hard work and a courageous policy on the part of its finance committee, the Pennsylvania association during the past year has put its financial affairs in excellent shape, J. F. Morgan, Lewistown, president, said.

Membership stands at the highest point reached in 14 years, Mr. Morgan said. It has been a legislative year with heavy demands on time and resources of agents, but the association was successful in preventing any harmful laws from being enacted. Some beneficial legislation was passed. He commended the National association's public relations program, the cooperative attitude of the

Pennsylvania insurance department under Commissioner Neel, and the efforts to secure proper qualification of agents.

Facility Security Meetings

A series of meetings for inspectors of the Facility Security Division of OCD, composed very largely of field men, has been arranged for Ohio and West Virginia. Meetings were held in Cleveland Oct. 11 and Toledo Oct. 12 and others have been arranged for Columbus, state office building, Oct. 18, which the Dayton group also is urged to attend, and Parkersburg, W. Va., Chancellor Hotel, Oct. 20, with Bernard F. Flood, state agent of Royal-Liverpool, in charge.

Features for Ohio Agents Convention Announced

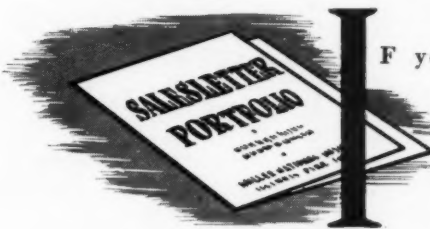
Free enterprise under the American agency system is to be the keynote of the convention of the Ohio Association of Insurance Agents in Columbus Oct. 25-26. This will be the general subject of James Finley Lincoln, Cleveland, who will be the speaker at the banquet. The first session will be given over largely to agency problems. An advertising exhibit and discussion will be presided over by John R. Hare of Bellefontaine, a trustee, and Don Tobin, Columbus advertising man, will speak. Harold S. Bowen of Norwalk will ex-

plain an agency publicity program. Harry T. Minister of Columbus is chairman of the convention committee.

J. T. Harding Moves to Trenton

John T. Harding, who was appointed second vice-president of Standard Fire of Trenton about a month ago, is leaving Thursday to become established in the head office city. For the past several weeks he has been traveling with Charles P. Hall of Milwaukee, superintendent of agents in the middle west, getting acquainted with the agency plant in that territory. Mr. Harding for many years had been Illinois state agent of Millers National.

New SALES LETTER PORTFOLIO Now Ready Result of Nation-Wide Agency Sales Letter Contest



If you are an agent on the alert for ideas to improve your sales letters, here is a portfolio worth real money to you.

It comes to you as a result of hundreds of agents contributing their ideas in a sales letter contest conducted earlier by us this year. This portfolio embodies the best points of all letters submitted and has been edited by the well known sales letter expert, Douglas Doolittle.

So, actually, what you receive is the equivalent of having hundreds of good sales letters sent you from all over the country, and then having an expert prepare a series of letters for you from this material.

You may have a copy by simply requesting it . . . and we particularly want agents to have it who recognize the need for good sales letters during these unusual times.

Good sales letters pave the way and make it possible to close more sales on first calls . . . and this is important today because of gasoline rationing and extra demands being made on your time. That's why many agents are now streamlining and revitalizing their sales letters. They know good sales letters are definite aids in maintaining sales despite restricted sales calls.

This portfolio of sales letters will help you . . . and again we invite you to send for your copy.

Use the coupon below. No obligation, of course.

MILLERS NATIONAL INSURANCE CO. ILLINOIS FIRE INSURANCE CO.

HOME OFFICE: 137 W. JACKSON BLVD., CHICAGO

Please send me portfolio of sales letters—no obligation.

Name

Address

N. U. 10-43

SERVICE HEADQUARTERS FOR ALERT AGENTS

SALESMAN WANTED

Substantial salary and commissions will be paid by large well known mutual companies to man for Detroit territory selling, servicing Fire, Casualty insurance. Man selected will be trained at company expense. Man over 38 with family preferred. Address T-31, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

REAL OPPORTUNITY

Field man wanted for West Virginia by strong Non-Uniformity company. Address T-33, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

NEWS OF FIELD MEN

Johnson to Handle B. C. as Well as Washington

London Assurance has appointed J. Edward Johnson, for 33 years special agent in Seattle, as British Columbia manager. He will also retain the Washington field. Next year he will move to Vancouver, B. C. The Seattle office will be continued. Under the new setup Mr. Johnson will report British Columbia business to D. K. MacDonald, Canadian manager of London Assurance at Montreal. Washington business is under the supervision of James C. Hitt, Pacific Coast manager.

Dunker Heads New East Ia. Puddle of Blue Goose

CEDAR RAPIDS, IA.—Harry W. Dunker of Cedar Rapids, state agent of New Hampshire Fire, was elected big toad of the newly formed East Iowa puddle of the Iowa Blue Goose. M. E. Hutson, Buffalo, Waterloo, is pollywog; W. W. Boardman, Royal-Liverpool, Cedar Rapids, croaker, and W. Harold Froehner, American, Davenport, bouncer.

It is the first puddle to be organized in Iowa. Authorization for its organization was granted at the last annual meeting of the Iowa pond. It is noteworthy that the Iowa pond was first started in Cedar Rapids in 1906 and later moved to Des Moines.

Nine charter members were on hand for the organization meeting and it is expected the membership will be at least 20, from Waterloo, Cedar Rapids, Davenport and Dubuque.

O. L. Hansen, Rain & Hail Insurance Bureau, most loyal gander of the Iowa pond, installed the new officers. J. H. Bunten, Fire Association, Des Moines, represented the grand nest.

Floyd T. Bower in Mich. Field for Aetna Fire

The western department of Aetna Fire announces the appointment of Floyd T. Bower as special agent in northern Michigan to succeed the late Emmer Whitehorn, with headquarters at Petoskey, Mich.

Mr. Bower is returning to the Michigan field where he formerly traveled for Aetna Fire. Since leaving the Michigan field he has been with the Underwriters' Laboratories, and more recently in the western department office of Aetna Fire.

Ocasek Speaks in Galion

On behalf of the Fire Prevention Association of Ohio, T. J. Ocasek, Under-

writers Service, will deliver the final lecture course to key plant protection men of all industries in the Galion, O., district. These plant fire brigades are being trained by the War Department under the sponsorship of the Junior Chamber of Commerce.

Southern California Slate

LOS ANGELES—Southern California Fire Underwriters Association nominating committee has presented this slate for election at the Nov. 1 meeting: President, Marshal W. Paxton, Edward Brown & Sons; vice-president, Paul Ragan, Hartford Fire; secretary-treasurer, Alton P. Stich, Springfield F. & M.; executive committee, A. C. Heriot, Providence-Washington; Russell S. Robertson, Seeley & Co.; Paul St. John, Crum & Forster; Robert Newell, Great American; E. E. Harris, National Fire; P. J. Priaulx, Richards & Co.; Joseph C. Gehrig, Deans & Homer; Charles L. Buckman, Hinchman-Rolph & Landis.

Hear Post-War Planning Talk

LOS ANGELES—The California Pond Blue Goose at its Oct. 1 meeting heard a talk on postwar planning by Walter Elison, special representative of the Department of Commerce. Twelve candidates were elected to membership and will be initiated at the November meeting.

Plan Interstate Inspection

Field men of Minnesota and North Dakota will stage an interstate inspection Nov. 18 at Grand Forks, N. D., and East Grand Forks, Minn. R. E. Vernor, Western Actuarial Bureau, Chicago, will speak. Governor Thye of Minnesota spoke at a dinner following an inspection of Northfield, his home town, by the Minnesota Fire Prevention Association.

Roy L. Nicholson, Wisconsin state agent of Michigan Fire & Marine, spoke at La Crosse, Wis., before the chamber of commerce and Rotary Club, on "Let's Stop Giving Aid to the Enemy" through destructive fires, most of which are preventable. He repeated the talk before the Optimist Club of Milwaukee, of which he is a member and past president.

NEW YORK

W. J. ROBERTS & CO. EXPANDS

Frank E. Neary, who has been manager of the brokerage and service department of the New York office of London & Lancashire, has joined W. J. Roberts & Co. of New York as manager of a new department for metropolitan fire, country-wide binding and casualty business. At the same time W. J. Roberts & Co. becomes country-wide binding agents for London & Lancashire. The Roberts office has been U. S. managers of Standard Marine and Union of Canton and marine managers of Orient.

SLATE GAUTHIER FOR PRESIDENT

New officers proposed by the nominating committee for election by members of the Brooklyn Insurance Brokers Association at the December meeting are: V. A. Gauthier, president, now first vice-president; T. J. Clark, first vice-president, now third vice-president; M. A. Pulver, second vice-president; J. E. Fries, third vice-president, and H. G. Ellis, Jr., secretary, and E. C. McCormack, treasurer, both proposed for reelection. Alex Goldberger, president, would become chairman of the executive committee succeeding Mr. Fries if the slate is approved.

The action of the New York State Fund in including occupational disease coverage not offered by the private carriers was referred to the Brokers Asso-

ciation Joint Council. Unanimous support was voted the Van Nuys-Bailey bill.

IN U. S. WAR SERVICE

N. W. Cady, Jr., special agent in the inland marine department of Phoenix of Hartford at Minneapolis, is with the 170th Engineers, Combat Battalion, Camp Meade, Cal.

The Kemper companies now have more than 487 in service, 39 women.

J. D. Connolly of the Parker, Clement & Connolly agency, Austin, Tex., is being inducted into the army this week.

Lieut. R. H. Hyde, formerly special agent for Groninger & Co. of Seattle, who is a bombardier in the army air corps, is recovering from wounds received in action in the Mediterranean zone.

John W. DeMerrit, head of the DeMerrit Agency in Exeter, N. H., son of the late J. Frank DeMerrit, long active in association affairs, was given a farewell dinner in Exeter by a group of agency and company officials on entering service.

Capt. Edward Meserve, formerly with John D. Holmes & Co., Los Angeles brokers, now is in command of an army

Farewell for Enlistee Nets \$11,000 Business

A unique party in the way of a farewell dinner to newly enlisted men was staged for Frank Sullivan, special agent for 14 years with Preferred Accident in Boston. Admission to the dinner was one new order for a premium of not less than \$25 on high class O. L.T., burglary or personal accident business. When the "admissions" of the 150 or more guests were counted up, Preferred found it had netted \$11,000 of new business. Mr. Sullivan was presented ten \$25 war bonds plus cash from the company and cash from his associates in the Boston office. Vice-president Percy A. Goodale was present from New York, as was Treasurer Arthur C. Bohlen, who forfeited three tickets to the World Series to be at the dinner.

truck engine rebuilding company somewhere in the Mediterranean area.

W. G. Matchette, manager of the insurance department of the Noble Agency

WHAT SHOULD YOUR WIFE DO?



Household accidents, involving full or part-time helpers, are pretty common occurrences—and nine out of ten happen when you're not home to take charge. For instance, you can't help much if the Army or Navy is taking up all your time!

Prepare for just such emergencies by placing your insurance through this office, where there is always a representative on hand to look after your interests. It costs no more to have the advantages of such local service . . . why not investigate details today?

(YOUR IMPRINT)

(Telephone No. & Address Here)



Priorities, Tires & Gasoline Won't Keep This Agent From the Scene!

Actual size reproduction of advertisement in our ADVERTISING AIDS TO AGENTS. Write for "packet" containing timely advertising, direct-mail and follow-up suggestions.

Phoenix-London

GROUP

55 FIFTH AVENUE · NEW YORK

PHOENIX ASSURANCE CO., Ltd.
IMPERIAL ASSURANCE COMPANY
COLUMBIA INSURANCE COMPANY
UNITED FIREMEN'S INSURANCE CO.
THE UNION MARINE & GENERAL INSURANCE CO., Ltd.
LONDON GUARANTEE & ACCIDENT CO., Ltd.
PHOENIX INDEMNITY COMPANY

INSURANCE ACCOUNTANT

This man has had 20 years insurance accounting experience as cashier, office supervisor and traveling auditor. His pleasant personality and definite managerial ability with his experience would make him an excellent department head.

FERGASON PERSONNEL

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and vice-president of the Wichita Association of Insurance Agents, is reporting to the coast guard for boot training at Alamosa, Calif.

George M. Hampton, Jr., Kansas state agent of Phoenix of Hartford, has been commissioned lieutenant (j.g.) in the navy and is awaiting orders to report to a gunnery school.

Jay Berryman, local agent at Ashland, Kan., has been commissioned a lieutenant (j.g.) in the navy. Dean Matthews, manager of the insurance department of the agency, is now in training at a Florida naval base, having previously been commissioned a lieutenant (j.g.).

Public Relations Plan Explained

(CONTINUED FROM PAGE 2)

ities came from agents in all sections. It was seen that Washington, D. C., had become of major importance to them.

Mr. Broughton in explaining the public relations picture of the National association mentioned the problem chart that was developed. There was at the beginning an internal job. Problems arising with and among the agents had to be studied. Then came relations with the public, companies, other trade groups, brokers, fire, casualty and surety organizations.

Operating Chart

The public relations operating chart was developed to plan the use of the public relations tools and techniques. The agents had two related public relations problems—one being the National Association of Insurance Agents, its headquarters and existence as the central group. The clear and effective organization of the national headquarters and the Washington, D. C., office are vital to the confidence and respect of the whole business. Constructive and efficient leadership there must be tied in with the direction of the officers and committees. Already Mr. Broughton declared he had never found a more genuine esprit de corps.

The battle in the year to come and perhaps a number of years will be the struggle to maintain the American system of free enterprise. Labor has been noteworthy in its development of publicity. Business is beginning to develop its own organizations to further the cause of business. In the long run it can prosper only as its customers prosper.

THREAT SET FORTH

Mr. Broughton cited the threat of the comptroller general to disallow advertising in trade and technical journals, all costs of public relations, many of the costs of creating and maintaining good will and morale, including house organs. And now comes the threat of limiting agents' commissions.

It is a fight, he emphasized, for survival against a drift that did not originate here but is part of a pattern found in Europe.

Agents' Special Problems

Mr. Broughton asserted that "we have the job of telling the story of the agent in such terms that people and the government will understand the importance of his contribution." Insurance, the speaker has discovered, is not a well understood business, the life people are better understood than the other classes. The companies are realizing the importance of creating good will and Mr. Broughton said the agents should cooperate fully and effectively. There are inter-industry problems which have a bearing on public relations and some are intricate. He asserted that the sum total of agency interests with the companies or with other groups in the industry is infinitely greater than the differences.

It is important, Mr. Broughton con-

tinued, to understand Washington and the way Congress works.

"Your Washington problem calls for action. Much progress has been made. The right representation at Washington raises a great problem in war time," he declared.

Public relations, he added, is not a panacea for bad management. The best public relations jobs are those of which the public is not conscious.

Mr. Broughton stated insurance should tell its story. A public relations program must be steady and aggressive. Insurance need not hesitate to compare its record of growth, strength and service with that of any other large scale

operation. Insurance should identify itself with other American business groups.

Mutual-Stock Company Cost Differential Narrows

(CONTINUED FROM PAGE 2)

agency at Greensboro. Previously, from 1930 to 1935, he was North Carolina special agent for the J. S. Kemper group.

Entering insurance as a bookkeeper for the Mutual Insurance Agency of Greensboro in 1926 after a number of years with the Texas Company, Mr.

Craft went with the new Automobile Insurance Specialists general agency in 1928. Two years later both agencies were purchased by J. S. Kemper & Co. and Mr. Craft was retained as special agent.

Md. Agents' Parley Nov. 17

The annual meeting of the Maryland Association of Insurance Agents will be held at Baltimore Nov. 17. Geo. S. Robertson, secretary of the Maryland association and of the Baltimore Life Underwriters Association, has been elected to a similar position with Baltimore Accident & Health Club.

EVERY DAY—MAKE FIRE PREVENTION YOUR PERSONAL WAR WORK



Int. News Photo

Don't let any more burn!

Some goods are rationed. Some, under government order, can be made only in limited quantities. Others may not be made at all for general public use until the war is won.

It's mighty important that no more be burned up—whether they are shoes or tires or food or bicycles.

There never was a time when fire prevention was more necessary on all types of buildings and stocks and furnishings.

Fire means waste. Waste means a weakening—in some form—of the nation's war effort.

That's why it is so worth while for you to make fire prevention your personal war work—every day.

Is there a Fire Prevention Committee in your community? If so, work with it. If not, you can make a real contribution by organizing one now. Our fieldmen will be glad to help you outline a program.

Agricultural
Insurance Company,
of Watertown, N.Y.



Empire State
Insurance Company,
of Watertown, N.Y.

GIRLS WANTED: By U. S. Government. Proud of our own girls who have joined the colors, we are glad to recommend the WAVES—WACS—SPARS—MARINES.

Ponder Anti-Trust Exemption Bill

(CONTINUED FROM PAGE 1)

they wanted to weigh the various considerations involved.

One of the questions that was raised by a number of the life insurance people in informal discussion and by the commissioners was why the legislation was not broader in scope than merely to exempt insurance from the federal anti-trust laws. That question was posed at the open session of the executive committee meeting and E. M. Griggs of Chicago, associate general counsel of the National Board of Fire Underwriters, was asked to speak on that point. Mr. Griggs explained that he had not participated in all of the conferences that led to the introduction of the legislation but he expressed the opinion that sponsors of the bill felt that it would have a better chance of passage if it were not so sweeping as to provoke such controversial questions as compliance on the part of the insurance industry with the federal wage and hour laws. Others who are committed to this particular legislation also observe that in the preamble it is stated that Congress recognizes that insurance is not interstate commerce and hence is not subject to the federal anti-trust laws. Thus, they declare, the implications of the bill are broader than the mere provision for exemption from the anti-trust laws. Also the preamble removes the bills from the field of class legislation.

Might Aid Federal Regulation

Also in a questioning vein, the theory was explored as to whether the bills would not suit the designs of advocates of federal regulation. It was suggested that if there were ever to be federal regulation, the question would immediately arise as to whether collaboration on rates, underwriting practices, etc., necessary to the orderly conduct of the insurance business would not conflict with the nation's anti-trust laws. Hence it was asked, would it not suit those who advocate federal regulation to have on the books a statute specifically exempting insurance from the anti-trust laws. With that problem disposed of, a system of federal regulation could be more easily constructed, according to this line of inquiry. Those advancing such a theory were more interested in provoking discussion in order to get evidence upon which to formulate an opinion than they were in winning adherence to such a view.

Views of Other Elements

Another question in which the commissioners were interested was the attitude towards the legislation of other elements in the insurance business besides the National Board. Roy L. Davis of Chicago, western representative of the Association of Casualty & Surety Executives, was called upon to speak for his organization at the opening session but at that time Mr. Davis had no instructions. The next day, however, he was able to say that the bills were being supported by his association.

A. V. Gruhn, general manager of the American Mutual Alliance, was invited to give his views. He said that the mutual organization had not arrived at a final decision but he exhibited a rather cynical attitude. He said counsel for the Alliance are studying constitutional

questions that are involved. One question that occurs to him, he said, is whether the bill is not designed exclusively to relieve the stock fire companies of their Atlanta-S.E.U.A. problem. Also he said he wonders whether a bill exempting insurance from a particular federal law might not constitute an admission that insurance is in other respects subject to federal jurisdiction. Later both Mr. Gruhn and Mr. Griggs were questioned at greater length by the executive committee in executive session.

The commissioners also discovered that the life insurance people had not taken a stand.

Some of the commissioners, it is reported, were resentful that they had not been consulted beforehand about the legislation.

Attitude of Governors

There may have been a reluctance on the part of some of the members to commit themselves until they have an opportunity to discuss the question with their governors and to be sure that whatever they do is in harmony with the political tempo at home.

One feature that the commissioners apparently did not bother to discuss were the charges of irresponsible commentators and columnists that the fire insurance companies had gotten up a huge "slush fund" with which to put the legislation across. The commissioners know the character of the fire insurance business well enough to dismiss any suggestion that there is an intention to use money in a sinister way. Those who are making the "slush fund" charge always couple it with a reference to the Missouri rate case scandal but the commissioners know that this was a hideous personal act on the part of a sick old man and that it was an egregious case. The National Board is conducting the campaign for these bills entirely in the open. It is obvious that the publication of tracts and other expenses in propagating the message will be substantial but the National Board, aside from its customary policy of correct dealing in the field of legislation, must realize that its books are likely to be examined searching by the Department of Justice. At any rate the commissioners didn't think enough of these scandal stories to talk about them.

There was also discussion as to the practical political question of the chance for success of the bills. The majority seemed to feel that they have a very good chance of passage. Some have the idea that if they could be enacted by an overwhelming majority it would be well to promote them but that if it is to be a close decision it might be wise to back away.

There were also questions as to the effect of the bills should they be passed, on the S.E.U.A. anti-trust suit which is to go before the U. S. Supreme Court. It was made clear that the bills, if passed, would not be retroactive in their effect and that they would not affect the litigation.

Following a lengthy discussion of the federal legislation the first day, a sub-committee was appointed to compose a resolution that embodied what the committee was willing to say at the moment and that committee did its work at a breakfast meeting. It consisted of Williams, Jones and Cullen.

DPC Rating Is Closed Issue

(CONTINUED FROM PAGE 1)

At that time Mr. Jones asserted that it is the general policy of the government to be self insurers, that any action taken by his office was for the purpose of reducing the ultimate cost of the war effort in every way possible.

In March there was further confirma-

tion of the self-insurance policy when insurance previously carried on property owned by Rubber Reserve Corporation, Metals Reserve Corporation and Defense Supplies Corporation was canceled. A request was made to submit a statement outlining the local agents' viewpoint and that matter was discussed at a meeting of the executive committee of the N.A.I.A. in May. With the help and advice of public relations counsel a letter was submitted to Mr. Jones June 29, and a second visit was made to Mr. Jones July 1. However, the government concluded that this method of rating insurance on DPC contracts was a closed issue. The matter was again discussed before the executive committee in August and it was apparent that nothing could be changed as far as the Washington picture was concerned and that any further action would have to be between the companies committee and the agents committee looking forward to a more equitable solution. This discussion is now in progress.

Omaha Dinner for Wise

OMAHA—The Nebraska Blue Goose will hold a dinner Oct. 29 for Gus N. Wise of Western Adjustment in honor of his 25th anniversary of serving the grand nest.

New Committee on War Damage Reserves Named

Commissioner Harrington of Massachusetts, president of the National Association of Insurance Commissioners, has transferred the subject of war damage reserves from a special committee of the executive committee to the recently appointed sub-committee of the examinations committee.

The new committee will consider the subject at an open meeting Oct. 19 at the Hotel Pennsylvania, New York City, which all those interested are invited to attend and give the committee the benefit of their views. The new committee consists of Commissioners Allyn of Connecticut and Bowles of Virginia, with Deputy Commissioner Gough of New Jersey as chairman.

E. T. Cedarleaf, New Amsterdam Casualty, is now conducting the course on compensation and liability insurance sponsored by the Minneapolis Association of Insurance Women. The association will hold its bosses' night Nov. 15. The Insurance Club of Minneapolis held its first fall meeting Oct. 11, with Oliver S. Powell, first vice-president of the Federal Reserve Bank at Minneapolis, speaking on "The End of the War—Specter or Rainbow?"

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ACCIDENT AND HEALTH

Fitzsimmons to Army; Couture Is Successor

George W. Fitzsimmons, superintendent of agents and head of the disability division of Continental Casualty's



G. W. Fitzsimmons



H. J. Couture

accident and health department, will enter the army Oct. 16, and H. J. Couture, agency secretary of the disability division the past year, has been appointed acting superintendent of agents.

C. S. Lembkey has been called to the home office from the Indiana-Michigan field to be acting agency secretary of the disability division.

The disability division has achieved an all time peak in premiums under Mr. Fitzsimmons' leadership. He was a leading producer of Metropolitan before joining Continental Casualty as a special agent in Minneapolis nearly 10 years ago. In 1935 he was made a traveling supervisor, and worked out of the home office for a year before being advanced to agency secretary of the disability division in 1936.

Working shoulder to shoulder during the next four years with Vice-president J. M. Smith, then superintendent of agents of the disability division, Mr. Fitzsimmons helped develop Continental's franchise plan and its hospitalization plan for individuals and family groups. Mr. Fitzsimmons became superintendent in March, 1942.

Program for Ohio A. & H. Group at Cleveland

The Ohio Association of Accident and Health Underwriters will hold its annual meeting at the Carter Hotel, Cleveland, Oct. 29, preceded by a get-together party Thursday evening.

Friday morning will be in the form of a business meeting of the state association, at which time new officers will be elected. The Cleveland Association of Accident & Health Underwriters, as host, will take charge commencing with a speaker for the luncheon session and followed by an open forum on "Current Problems Affecting the Accident and Health Business."

C. F. Harroll, manager Inter-Ocean Casualty, Dayton, president of the Ohio association, will be in charge of the luncheon and afternoon sessions.

Goodnow Is N. H. Speaker

MANCHESTER, N. H.—At its opening fall meeting here, the New Hampshire Association of Accident & Health Underwriters heard E. P. Goodnow, treasurer of Craftsman, discuss the future of the accident and health business in relation to the extension of social security plans by the federal government.

A. & H. Committee Reports

The committee of 25 representing all types of accident and health insurers in Illinois met last week and approved with slight modifications the report of a smaller committee that had drawn up recommendations to Insurance Director

Paul F. Jones of Illinois for meeting complaints on forms and selling practices. The 6-point program is being finally drawn up and will be submitted to Director Jones in the next few days, after which it will be made public.

The smaller committee consists of George F. Manzelmann, president North American Accident, chairman; David J. Kadyk of Lord, Bissell & Kadyk; Roy L. Davis, Chicago manager Association of Casualty & Surety Executives; C. O. Pauley, secretary Great Northern Life; R. J. Wetterlund, general counsel Washington National, and Ray G. Lonnen, treasurer Guarantee Trust Life.

W. H. Dawson in New Post

American Casualty of Reading, Pa., has appointed W. H. Dawson, accident and health producer and underwriter, assistant superintendent of its accident and health department. He has been in both agency and company end of accident and health. He had charge of the accident department of K. H. Bair & Co. agency, Greensburg, Pa., and for many years was with the accident and health department of Continental Casualty. He has recently been with New Amsterdam Casualty.

Sullivan to Economics Society

The Insurance Economics Society has employed Ernest V. Sullivan as director of publicity. Mr. Sullivan was at one time on the staff of the "Spectator." Later he went with Insuranshares and then with Mutual Life of New York as assistant to W. F. Story, librarian. He edited Mutual Life's house organ and aided in publicity matters.

For the present, he will be located at the society's offices at 103 Park avenue, New York City.

CHANGES

Gay Compensation and Liability Manager of Connecticut Indemnity

George B. Gay, assistant secretary of the National Council on Compensation Insurance, New York City, has resigned to become manager of the compensation and liability department of Connecticut Indemnity at the home office.

Mr. Gay at the National Council worked on classification and rate making for compensation. He also served as secretary to the manual committee and secretary to the claims executives' committee and was in charge of publications.

He previously was with Century Indemnity in the compensation and liability department for nine years.

American Casualty Names W. K. Lambie in Tenn., Ky.

William K. Lambie, special agent of American Casualty in southwestern Pennsylvania and northern West Virginia with headquarters in Pittsburgh has been promoted to resident manager of the Nashville office. The office services business in Tennessee and Kentucky.

Mr. Lambie is a native of West Virginia, and was educated at Carnegie Tech and Massachusetts Institute of Technology. He is a veteran of the first world war.

Sommers Adds to Staff in Mfrs. Casualty, Chicago

Byron Sommers, Chicago manager of Manufacturers Casualty and Manufacturers Fire has appointed a special agent and a bond underwriter. Mr. Sommers is increasing the personnel

facilities in the office, which he recently took over, in line with the company's expansion program in Illinois.

B. E. Larson has been named special agent for both fire and casualty companies and will travel the entire state of Illinois, including Cook, Lake and DuPage counties. Mr. Larson has been in insurance 15 years, eight years in the general agency field in Chicago, then with Commercial Standard as Illinois special agent. Later he became assistant manager of Commercial Standard in Chicago. In 1941 he joined the General of Seattle companies as state agent in northern Illinois for both fire and casualty lines.

Miss Ruth E. Ernst, as bond underwriter, will also serve as Mr. Sommers' secretary. Miss Ernst will assist in building the newly organized bond department of the branch office. She was formerly with Maryland Casualty for 10 years in the bond department of the Chicago branch office. She also served for a short time in the bond department at the home office of Continental Casualty and recently she has been with the Ocean Accident.

Skaggs to Swett & Crawford

Fred M. Skaggs, formerly casualty superintendent of Ocean Accident, San Francisco, has gone with the Los An-

geles office of Swett & Crawford as manager of the public liability and automobile departments. He had been with Ocean Accident in San Francisco for a number of years.

Forsythe with U. S. F. & G.

Donald M. Forsythe, former Wyoming insurance commissioner who has been in the compensation underwriting department of Lumbermens Mutual Casualty, has joined U. S. F. & G. as special agent out of the Chicago office. He succeeds Kenneth R. Mertz, now a lieutenant (j.g.) in the navy.

Mr. Forsythe was in the general agency business in the middle west for some years, and at one time he traveled Kansas for Hartford Fire.

Mayo to Boeing Company

C. B. Mayo has resigned as manager of the surety department of Groninger & Co., Seattle general agents, to go with the engineering department of the Boeing Airplane Co. in Seattle. Before going with Groninger & Co. early this year, Mr. Mayo was special agent in western Washington for Phoenix of Hartford.

Clifford Dreschler, safety engineer of American Auto in Chicago, is being transferred to the Buffalo office.

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KANSAS CITY Fire and Marine

INSURANCE COMPANY

CHICAGO OFFICE:
INSURANCE EXCH.

KANSAS CITY,
MISSOURI

EDITORIAL COMMENT

Prevention of Cruelty to Audiences

The Business Development Office of the stock fire insurance business recently acceded to requests for permission to reprint extensive excerpts from its very popular booklet, "Effective Speech in Selling," which deals with public speaking. It is to be hoped that widespread use is made of this permission, for the insurance business has the reputation of being outstandingly addicted to listening to speeches and if their quality can be improved the benefits will be appreciated by what is in the aggregate a vast audience.

The difficulty with bringing about any great improvement in the quality of speeches that insurance audiences listen to is the fact that most speakers are sensitive about criticism and in the case of an exceptional man who would sincerely like to get an objective opinion about a talk he has delivered no member of the audience is going to assume that he can talk frankly and still not alienate the speaker forever.

Thus a man who might profit by criticism is effectively insulated against it, whether he wants to be or not. The result is that a speaker is in danger of getting an unwarranted opinion that he is charming his audiences when actually he is putting their politeness to a very severe test. This is particularly true of the man who is called upon to speak in spite of rather than because of his ability to make a good talk—the man who by his position in a company or association is frequently called upon and should have something worth while to con-

tribute. All too often his hearers have to sift through a depressing amount of excess verbiage to glean what he is really driving at. And frequently they are lulled into such a stupor by the non-essential passages that they miss the impact of the real message.

To the man who really wants the answer to the question, "How'm I doin'?" one course might be to distribute amateur or professional spies among the audience to listen to the sotto-voce cracks about his talk that one man makes to the next. A more practical alternative would be to apply to his own talks the check-list for speeches which the Business Development Office includes in its book. The questions are as follows:

Was the title brief, truthful and attractive?

Was the introduction sufficiently arresting to attract instant audience attention?

Was there evidence of careful preparation?

Was there a continuity from one point to the next?

Was the speaker's presentation supported by facts?

Was the speech presented in simple, direct, understandable words?

Was there a definite and firm conclusion?

Was there sufficient humor to make the audience smile occasionally?

Was the speech too long?

Was the speaker successful in accomplishing his purpose?

Saying a Word for the Agent

Occasionally the criticism is expressed that the average agent is a dumb fellow who cannot understand the simplest arithmetic and who is baffled by almost anything in the way of new ideas. He is said to have little energy and practically no sense of purpose whatsoever. He gets business because he is acquainted with someone, or is related to someone, or by accident, certainly never by hard work and intelligent application. He is hard to get along with, some say, because he is still a rugged individualist whose ruggedness consists of stubborn insistence upon old ways of doing business and old, and higher, rates of commission.

This portrait is, it would be admitted even by those who draw it, a caricature. Yet the criticisms are offered frequently enough to suggest that it is time to say

at least a word in the agent's favor.

The insurance business is constantly changing and must be continuously accommodated to a thousand other businesses that also are undergoing change. Consequently, the agent must know enough about the hundreds of policies on his shelves to talk intelligently with every sort of person representing hundreds of different types of businesses, each with its own jargon and peculiarities that must be understood if insurance is to be properly applied and if it is to give satisfaction.

When a new program, underwriting formula, or coverage is issued by a bureau or by the companies, the agent is supposed to understand it within a matter of a few days, or, at most, a few weeks, sufficiently to take it out and make it work, although it is possible that

the company and the bureau people have been threshing out the thing for months, and have spent a vast amount of time and effort in getting it into such shape that it will sound good on paper.

The agent must so sell a highly technical product that assured can understand and remember at some future date the limitations of the policy, thus avoiding in advance disagreements that may lead to court; and at the same time he must make the policy so attractive assured will buy it.

The agent therefore needs great talents as a synthesizer. In a day of "coordinators," the agent stands forth as a very able one, who has been coordinating for years.

For a long time there has been a steady process in the insurance business of requiring more service, knowledge and intelligence of the agent. This has gone on in a parallel with an even more powerful trend toward reducing acquisition costs so that the merchandise the agent has to sell will be more competitive and will meet the increasing economic, political, and social pressure for lower

costs. It is not surprising that the agent occasionally protests at the steps that decrease his earning ability. He can hardly be blamed for fighting to preserve his livelihood, and he should be credited with what has amounted to a general willingness to accept such changes when their necessity and wisdom were evident.

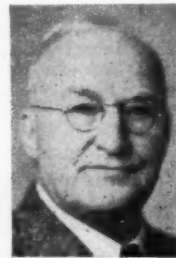
He has been eager to learn, and ranks with those in medicine and law in pursuing education after his formal school days are over. He has a good grasp of community affairs because of his active participation in them; and he probably understands the position of his business in the economic and social organism better than the "retailers" in any other U. S. business.

The agent is a rugged individual. Perhaps in these days of novel political and social concepts, he may seem a little provincial and old fashioned, but a small business man, as one of the tough and capable survivors of a way of life that has made the U. S. great, we can hardly help uttering a word of encouragement and admiration.

PERSONAL SIDE OF THE BUSINESS

Is he the oldest employee to serve continuously with one fire company in the United States?

This is the question that is bothering **Andrew E. Schuttenhelm**, chief accountant of Phoenix of Hartford. Mr. Schuttenhelm was born Oct. 5, 1865, and first entered the employ of Phoenix in Cincinnati March 24, 1881, 62 years ago. In that long period he has worked with very little time off, except for minor ailments. If there are any other insurance men who have a similar record of employment in the same company, Mr. Schuttenhelm would like to hear from them. He resides at 52 Auburn road, West Hartford, Conn.



A. E. Schuttenhelm

W. C. Kirkland, secretary of the southern department of Travelers Fire, is quite ill at Hartford hospital. He will be there probably for several weeks. Mr. Kirkland formerly was in Chicago as secretary of Continental of the America Fore fleet.

Anderson S. Joy, Seattle manager of Travelers Fire, is directing the annual school conducted by the coast guard at the University of Washington. Sessions are held for a two-month period once a year for regular members of the coast guard as well as temporary reserves. Instruction includes piloting, seamanship, military law, gas and diesel engines and a variety of allied subjects. Among the instructors are Lieut. (j.g.) Allan Sampson, former Seattle local

agent, and George W. Clarke, well-known insurance attorney.

J. Edwin Larson, Florida state treasurer and insurance commissioner, has been named a member of the centennial committee of the Florida Methodist Church.

Martin E. Wilde, veteran Milwaukee local agent, and Mrs. Wilde recently celebrated their golden wedding anniversary. The Wilde agency was organized in 1891.

Jess G. Read of Oklahoma, secretary of the National Association of Insurance Commissioners, after leaving the executive committee meeting in Chicago, tarried in St. Louis long enough to see the World Series baseball games there. Mr. Read was fervently rooting for the St. Louis team.

Edw. W. Sumner of the Geo. D. Capen & Co., agency St. Louis, celebrated his 40th anniversary with the agency Oct. 8. Members of the agency gave a testimonial dinner in his honor.

Richard E. Vernor, manager of the fire prevention department of Western Actuarial Bureau, spoke this week at the Detroit Industrial Safety Council meeting on fire prevention. Mr. Vernor recalled that it was this organization's work on fire prevention that caused him to enter the field 22 years ago, when he was Michigan state agent of L. & L. & G.

Harold Bredberg, vice-president and midwest manager of National Service & Appraisal Co., and Mrs. Bredberg announce the birth of a daughter, Janet Ruth, their first child.

Robert M. Rose of Milwaukee and Superior, Wis., who was formerly identified

(CONTINUED ON PAGE 49)



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Heartening View Seen in Field of Public Relations

New York "Herald Tribune" Executive Tells of New Sentiment in Business

PITTSBURGH—W. E. Robinson, vice-president of the New York "Herald Tribune," had a part in the public relations forum the last afternoon of the annual meeting here of the National Association of Insurance Agents. He said that insurance men must be experts at public relations to convince so many people that they should buy insurance with contracts that they can read but cannot understand. He said that the man who invented the phraseology of the insurance policies was the real inventor of double talk.

Another great accomplishment of the craft, he declared, is that insurance men are able to go back and get another policy after the assured has had a loss and has gone through a half dozen sessions with adjusters.

Handling Business News

From a newspaper standpoint, he said, there is no more heartening sign on the business and political horizon than the present attention given to public relations by business associations and industrial corporations. It is no longer felt, he said, that a financial statement and a curt expository news release is sufficient to inform the public. The attitude of editors about business news has changed greatly in the last 15 years, in his opinion. Financial pages of newspapers have expanded their scope to cover the functions of business managers in addition to the financial side. It is important, he said, to tell the story of business whether through news or advertising. Institutional advertising, he said, has had an important effect in business education and public opinion. Newsprint shortage may be felt in such advertising being greatly restricted. Some of the corporations have emphasized their war effort in the way of assisting in loan drives, participation of the public in scrap drives, fat salvage campaign, recruiting of men and women power for the vital war industries.

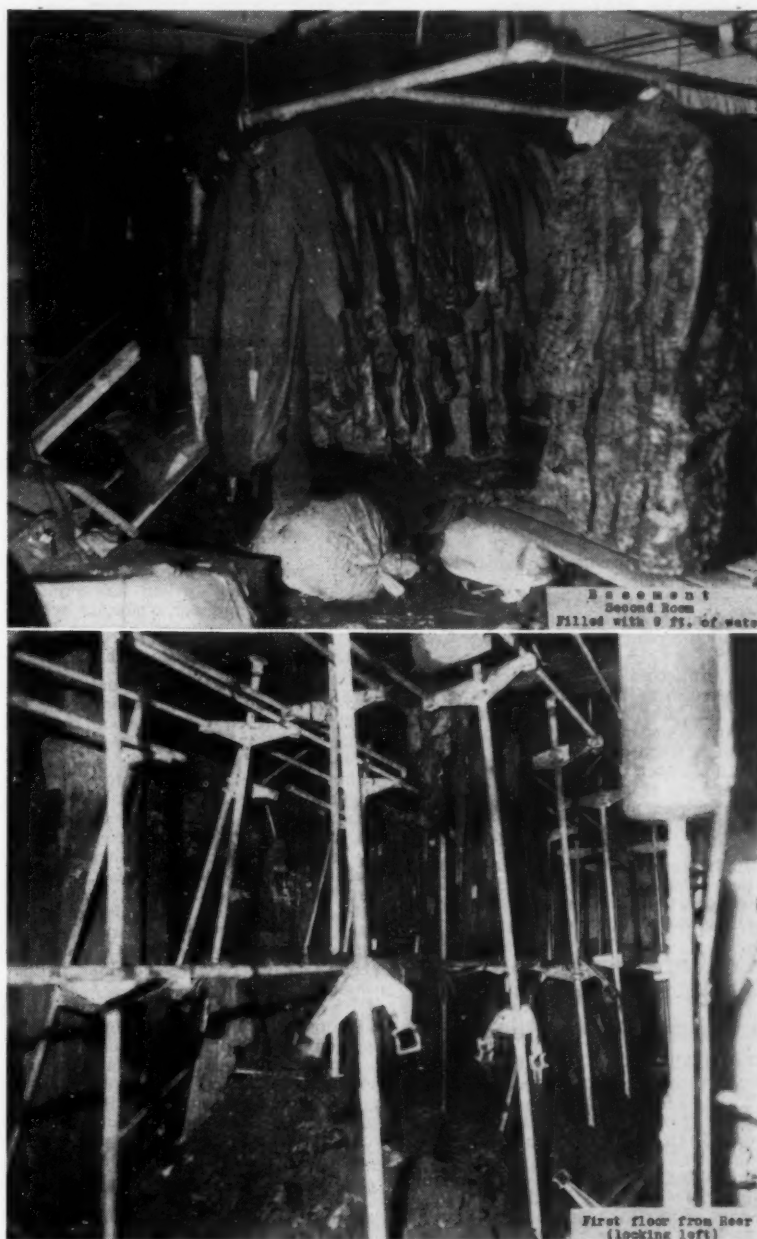
In the early 30's, Mr. Robinson said, certain branches of the federal government became populated by a group of disillusioned and sometimes unconsciously diabolical, political dilettanti. It was their intention to impose a new kind of government or at least a new social Utopia in exchange for the economic health of the nation. They pitted their skill and their guiles against the big league business management.

The American industrialists and business men, he said, were not very good at making speeches or writing pieces for the newspapers and magazines. They were frightened at the very sight of a radio microphone. Public relations to them consisted for the most part in hiring someone to keep their names out of the papers in case there was any bad news about them or their companies. Their legal adviser usually counseled silence and caution.

The net result of this, Mr. Robinson said, when the war came was the imminent disruption of the industrial system which had built this country.

When the call was made for production, he said, American business and industrial management, kicked around and abused, as it was, by the critics, brushed away the flies and the pests and they went to work to win the war. Germany and Japan, he said, had not figured on

Interior Views of New Haven Loss



NEW YORK—Because each of the 30,000 or so garments involved in the \$2,000,000 Yale Cold Storage Warehouse fire at New Haven had a different owner, an extremely important part of handling the loss was to make sure that each garment could be properly identified and that the water-soaked identification tags on the coats did not become torn in being moved. The Underwriters Salvage Company of New York, which was called in by the Fire Companies' Adjustment Bureau, immediately sent 17 of its special agents, superintendents and skilled workmen to New Haven and set up an indexing system with a card for each garment.

Salvage company attached to each garment, as it was loaded on a truck, a linen tag with a serial number on the original tag. Thus, it did not matter if the water-soaked tag came off for it would only be necessary to look up the linen tag's number in the file and this would show the original storage tag number.

the unsuspected weapon, the genius and resourcefulness and patriotism of the men who run American industry. He said these men have accomplished in two years what the enemies could not do in 10. He said that the miraculous record of production has resulted in the mana-

The latter would show the furrier from whom the warehouse had obtained the coat, for each furrier was given a series of numbers and a tag bearing a certain serial number could only have come from the corresponding furrier. Underwriters Salvage is also acting as a clearing house for incoming garments and those coming back from being processed. As load after load came in the garments were sorted into three classes: those which could be put into saleable shape, acceptable to their owners; those on which the salvage value would be limited to skins in the unburned or untorn areas; and those which were too much damaged to have any salvage value at all but which were retained for identification purposes. The garments to be processed were then sent out to various cleaning establishments.

As the coats come back from these plants they are segregated according to condition and to the various furriers who stored them in the warehouse and from that point on the adjusters take over.

gers of American industries retrieving the good will which was stolen from them between 1932 and 1940. He sees a growing up in leadership of American business and industry, a group of men of enlightenment, public spirit and understanding. They are forthright, artic-

Resolutions of Pittsburgh Parley

PITTSBURGH—Resolutions adopted by the N.A.I.A. here Wednesday included:

Opposition to "separate" treatment for insurance on government lump sum contracts.

Opposition to separation from the premium dollar of the producer's compensation factor.

Upholding state supervision and approval of Bailey-Van Nuys bills.

Approval of REA administrator in blocking use of REA funds to finance insurers for N.R.E.C.A.

late leaders. They can stand on the public platform, in the daily press and before the radio, slug it out with their erstwhile critics.

Insurance Stake Great

"No one part of the American business structure is so dependent upon the financial health of the whole system as that important segment which is insurance. Your very solvency in the soundness of your assets and your sale of policies is directly dependent upon public confidence in the traditional American system of economy. Since the stake is so great, and your obligations so obvious, you must accept your full share of the responsibility for a strong public relations program in your industry.

"You have many ways of doing this. You come in daily contact with millions of citizens. You are represented in every community by leaders who must now take the responsibility for moulding thought and action in these communities. You have expert public relations and advertising people. You must use all of these facilities to discharge your obligations to yourself and to all American business by maintaining a sound healthy and unprejudiced public opinion."

Mich. Blue Goose Annual Banquet

The Michigan Blue Goose is holding its annual banquet and golf party at the Bonny Brook Country Club, Detroit, Oct. 12.

Life Men Study Anti-Trust Bills

The Life Presidents Association is appointing a committee to study the Bailey-Van Nuys bills introduced in Congress to clarify the status of insurance as being exempt from federal anti-trust laws, and the American Life Convention is also naming a committee.

St. Louis Board Changes

The principal changes adopted by the St. Louis Board recently in its by-laws and constitution were to enlarge the scope of membership to include casualty and surety as well as fire operations; eliminate all rules governing company representation with the exception of a limitation of three class 1 agents for one fire company, whereas heretofore an agency could represent any number of companies; changing the class 2 definition to cover only those in insurance and real estate; setting up a special branch office classification; authorizing agencies to accept brokerage from any person holding a Missouri brokers license; and establishing dues for class 2 members at \$15 a year and for brokers and real estate agents at \$10 a year. K. Myron Hickey is president of the board.

10% Floater Cover in N. Y.

The New York Fire Insurance Rating organization has broadened its rules to permit companies to grant without additional charge outside coverage to the extent of 10% under household and personal property policies. The New York Fire Insurance Exchange has taken similar action.

C. J. Bauerle, general agent at the home office of Caledonian in Hartford, is making a trip in Ohio and Michigan.

Diesel Electric Fire in Queens Causes \$500,000 Loss

NEW YORK—The fire which swept the International Diesel Electric Co. in Queens the night of Oct. 8 did at least \$500,000 worth of damage to the contents of the plant which were valued at \$1,000,000. Amount of insurance carried was \$500,000 and it is feared that the damage exceeded that sum although no definite estimate has been made as yet. Material damaged consisted of machine and airplane parts which were awaiting shipment to the armed forces. It is hoped that some of the machinery can be salvaged after the debris has been cleared away. The cause of the fire is still unknown but it is thought that a grass fire which some boys had started near the plant spread to the building.

N. Y. State Association of Insurance Women Planned

Mrs. Ada V. Doyle, president of the National Insurance Women's Association, and Miss Clara MacCubbin, vice-president, will be guests of honor at a meeting at the Hotel Onondaga, Syracuse, Nov. 4 to organize a New York State Association of Insurance Women. The meeting is sponsored by the Syracuse chapter.

Insurance women's clubs are now active in Buffalo, Rochester, Syracuse, Schenectady, Albany and New York City. Delegates from these cities will attend the meeting.

Mrs. Alfreda W. Diller, president of the Syracuse chapter, will preside at the banquet. Mrs. Doyle and Miss MacCubbin will speak, together with presidents of the clubs represented.

Iowa Pond Activities

DES MOINES—Members of the Iowa Blue Goose paid a final tribute to Clem L. Ziebell, special agent for Great American, at its weekly luncheon. Mr. Ziebell died last week after a short illness.

It was announced that H. P. Martin, manager of St. Paul Fire & Marine, is in a Rochester, Minn., hospital for a minor operation. A. P. Mapes of Fidelity-Phenix who recently underwent an operation at Rockford, Ill., is expected to return to his duties next week.

C. S. Cathcart of Home announced that "Time" magazine would be sent to members serving in the armed services as Christmas presents.

Pearson to N. Y. J. of C.

Carl O. Pearson, for the past two and a half years eastern insurance editor of the Chicago "Journal of Commerce," with headquarters at New York, is joining the insurance staff of the "Journal of Commerce" of New York. Mr. Pearson has had 10 years of newspaper experience and has been handling insurance news for about five years. He is familiar with the business and has a wide acquaintance among insurance men both in New York and Chicago.

Henry H. Carter, chairman of the board of Caledonian, is now on the Pacific Coast.

G. A. Strasen, Wisconsin state agent of American of Newark, completes 25 years of service with the company in the field Nov. 1. This also will mark his 35th year in insurance. He started out as local agent Nov. 1, 1908, at Lake Forest, Ill., then went to Wisconsin as local agent and as district manager for an accident and health company. He did some per diem and adjusting work for fire companies. He went with American under the late Manager Chas. E. Sheldon as special agent and when State Agent Harry S. Norton was called to the western department at Rockford as superintendent of agencies Nov. 1, 1928, Mr. Strasen succeeded him as state agent.

Final N.A.I.A. Session Brilliant; Byrd Featured

PITTSBURGH—The closing session of the N.A.I.A. convention brought an overflow crowd, as the Pittsburgh people had invited local businessmen to hear Senator Byrd of Virginia.

Senator Byrd's principal reference to insurance was his statement that he is aggressively supporting the Bailey-Van Nuys bills. He assailed what he characterized as the "Palace inner circle," which he charged has been for 10 years working for a dictatorship and is exploiting the war emergency to gain their ends.

WDC Man Speaks

James W. Close, general counsel of War Damage Corporation, was another speaker. He said that the losses at Pearl Harbor which were assumed by WDC were not paid out of premiums collected since July 1, 1942. He also said that the losses at Dutch Harbor in June, 1942, are now being investigated, adjusted and similarly will not be paid out of collected premiums. Mr. Close did not specifically state the source from which these losses have been paid but presumably they will come out of the billion dollar fund voted by Congress.

The Army and Navy, he declared, had cooperated with WDC in furnishing information on whether losses were actually caused by enemy attack or American resistance to enemy attack. Several losses have been paid. He said one loss involving the crash of an army plane on an alert interceptor was paid by WDC 29 days after receipt of notice, but that some claims have had to be held up because the services cannot release information for security reasons. He praised the cooperation of insurance producers in selling war damage cover.

O'Connor Goes From Ohio Dep't to Union Central; Caris Ass't Superintendent

COLUMBUS—F. P. O'Connor, assistant superintendent of insurance for Ohio, has resigned to become field supervisor for Union Central Life and Albert G. Caris of Columbus has been appointed to succeed him.

Mr. O'Connor, who was for years in the insurance business in Lima, has been assistant superintendent since Jan. 1, 1941. He will make his headquarters in Columbus and will be affiliated with the Columbus branch of Union Central, of which William E. McGrath is manager. As assistant superintendent, Mr. O'Connor had charge of the preparation and conducting of examinations of agents and solicitors and the enforcement of life insurance agency laws. Mr. O'Connor is a past president of the Ohio Association of Insurance Agents.

Caris Former School Man

Mr. Caris has served as statistician in the department for the last two years, prior to which he was associated with Ralph W. Hoyer agency of John Hancock Mutual Life at Toledo and Columbus for 10 years. He served as president of Defiance College, Defiance, O., from 1917 to 1931.

He is a former president of the Ohio College Association and of the Conference of Presidents and Deans of Ohio Colleges. In addition to his new duties he will retain supervision of the statistical section, assisted by Roy D. Leis, who for several years has been an auditor in the department.

Ullmann Represents N. W. Natl.

A news item last week concerning Albert Ullman Marine Office, New York City, failed to include Northwestern National as one of the companies for which the Ullman organization underwrites marine insurance.

N.A.I.A. Banquet Successful Affair

Education Awards Made; Harrington, Evans and Neel Are Speakers

PITTSBURGH—In addition to the regular awards, the National Association of Insurance Agents at its annual dinner here presented certificates to five Pittsburgh students, the first to complete the 100 hour educational course. They were Dewey Clark, Frank T. Lauinger Co.; H. E. Harkis, E. A. Hess Co.; P. E. Phelps, assistant manager Continental Casualty; Emilie R. Schiller, William W. Flanagan & Co., and Zeloa Veatch, Employers Liability.

Commissioner C. F. J. Harrington of Massachusetts, bringing greetings of the National Association of Insurance Commissioners, said that attempts to extend social security will be a major post-war threat to the insurance business. He said that every commissioner is ready and willing to hear the problems of agents, but he should not be expected to solve purely competitive problems. He also asked for cooperation of agents and companies in working out uniform countersignature laws.

Asks That Insurance Be Let Alone

In the name of the National Association of Insurance Commissioners, Mr. Harrington asked Congress and federal bureau chiefs to let insurance alone during the present emergency.

The humorous speech of Ray Evans, Bluefield, W. Va., president West Virginia association, made a great hit. It was a proper complement to the serious address of Commissioner G. L. Neel of Pennsylvania. J. E. Proctor, Toronto, chairman Canadian Federation of Insurance Agents, a special guest of honor, was the only person at the speakers table to be formally introduced. The others were identified in the printed program.

The musical program of the orchestra and chorists of radio station KDKA, repeated from the 1936 convention here by popular request, was outstanding and well received. There was an embarrassing moment, however, when the orchestra, playing state songs for various groups in the audience, broke into "Beautiful Ohio." It stopped quickly.

Those at Speakers Table

At the long speakers table were the officers and members of the executive committee: Secretary J. B. Miller, General Counsel W. H. Bennett, Commissioner W. E. Allyn of Connecticut; G. W. Unverzagt, Pittsburgh, president Allemania Fire, President J. M. Thomas of National Union, Dr. H. J. Loman, dean American College of Property and Liability Underwriters; Lester F. Beck, Washington, chief of the navy insurance division; J. B. Ladley, president Pittsburgh Association of Insurance Agents; Mrs. Ada V. Doyle, Caldwell, N. J., president National Association of Insurance Women; C. H. Alexander, Pittsburgh, general convention chairman; J. F. Morgan, Lewisville, president Pennsylvania Association of Insurance Agents; C. H. Burras, Chicago, secretary National Association of Casualty & Surety Agents; S. L. Johnson, Charleston, S. C., president American Association of Insurance General Agents; Lew H. Webb, Chicago, president National Association of Casualty & Surety Agents; H. E. Moore, Boston, president National Association of Insurance Brokers, and the following past presidents of the National association: E. M. Allen, New York, now vice-president National Surety, F. J. Cox, Perth Amboy, N. J.; W. H. Menn, Los Angeles, Charles F. Liscomb, Duluth; Sidney O. Smith, Gainesville, Ga.; W. Owen Wilson, Richmond, Va.; William B. Calhoun, Milwaukee, Frank R. Bell, Charleston, W. Va., and Allan I. Wolff, Chicago.

Treasury Postpones Date for Restrictions on Pay of Salesmen Employees

The Treasury will shortly find a way of modifying its recent ruling limiting the amount of commission payable to employees while still imposing a curb on the greatly inflated incomes of salesmen selling to war industries and to the government. Insurance men who have been following this situation feel the ruling which rescinded the former basis under which the only commission ceiling was the percentage payable brought a storm of protest at Washington from many businesses which would be affected even more drastically than insurance. These seem to be having an effect. It was apparently not the Treasury's intention to put a dollar ceiling on commissions except where there has been a really inflationary increase.

The Treasury Department has postponed the effective date of the new regulation that restricts the amount that may be paid to employees that are compensated on the basis of a fixed percentage of sales to an amount not exceeding what such salesmen received in the last fiscal year of their employer prior to Oct. 3, 1942. This ruling has created a great deal of confusion and A. D. Burford, deputy commissioner of internal revenue in charge of salary stabilization, was quoted as saying that a clarifying statement would soon be issued. In the meantime no employer will be penalized for any payments that may be made to salesmen. In the insurance field those immediately interested include industrial life insurance companies whose agents are held to be employees, salesmen for direct writing fire and casualty companies and certain large fire and casualty agencies that employ salaried solicitors.

The insurance people assume that they can get exemption from any such ruling but they hope that they can get it in the form of a blanket ruling rather than having to submit each case individually.

One question that is confusing is whether the Treasury ruling applies only to those salesmen-employees that get \$5,000 a year or more. There apparently has never been an agreement between the Treasury Department and the War Labor Board as to the line of demarcation between the two agencies as to jurisdiction over salesmen. If a particular employer has been treating a salesman as an administrative employee, then he would probably be subject to the regulations of the Treasury Department if he got \$200 a month or more. However, if he were not so treated by his employer he might be subject to the jurisdiction of the War Labor Board and the WLB has not as yet anyway issued regulations restricting payments to salesmen.

Walter H. Bennett, counsel for the National Association of Insurance Agents, has prepared an analysis of the situation which will appear in the "American Agency Bulletin" this week.

Whether the relationship of employer and employee exists between agents and solicitors depends on the contract of hiring and whether the solicitor is an independent contractor as is the agent, according to Mr. Bennett. No general custom prevails as to this, so each case must depend on individual circumstances. Mr. Bennett points out that the Treasury decision does not cover an establishment having eight or less employees and that independent contractors are in the clear. He expresses the belief that the commissioner is taking in a good deal of territory even applied outside of the insurance business.

Eagle Star Names Parker & Co.

Eagle Star has appointed Parker & Co. general agents for Arkansas. They have been in the general agency business for three years and are located in the Donaghey building, Little Rock.

Tell the Middleman's Story to Your Own Community

with the
**NATIONAL SURETY
CHECK-MAILER**



WHEN you pay your own bills, whether printer, garage, landlord, doctor—middlemen all—write your check, slip it in a NATIONAL SURETY Check-Mailer. Join with hundreds of other Agents and Brokers in telling your story as a middleman—tell it to your own community.

The Check-Mailer says . . . We enjoy sending you this check—because—your profits as a middleman member of the American business system are well earned. When you fail to deal with a local insurance agent—you whittle down the size and number of checks, like this one, which are made possible by the American Agency System.

Stock Insurance will benefit, your business will benefit. Let us contribute the Check-Mailers. Send us your Agency name, address, telephone number and quantity needed. We will imprint and mail the Check-Mailers to you.

Prominent Agents say:

"We think this is fine stuff."

"This kind of advertising is the finest ever."

"We need to educate the public more along this line."

"May go a long way towards solving one of the very real problems facing our industry."

"National has again struck upon a very good idea."

NATIONAL SURETY CORPORATION

4 Albany Street, New York

VINCENT CULLEN, President

"NO BUSINESS DIRECT"

REINSURANCE

CASUALTY

FIDELITY

SURETY

EMPLOYERS REINSURANCE CORPORATION

J. B. ROBERTSON . . . PRESIDENT

SPECIAL SERVICE IN ACCIDENT & HEALTH

**HOME OFFICE
KANSAS CITY**

**NEW YORK
CHICAGO
SAN FRANCISCO
LOS ANGELES**

Moreton Heads National Association

Public Relations, Federal Problems Hold Spotlight

**Thomas Vice-president,
Wartime Turnout Large
and in Serious Mood**

By JAMES C. O'CONNOR

PITTSBURGH—With a splendid attendance, the National Association of Insurance Agents devoted four serious days to a thought-provoking, full packed forty-eighth annual meeting here, with special emphasis on public relations and the serious threat of federal control and encroachment into the insurance business, electing Fred A. Moreton, Salt Lake City, president to succeed David A. North, New Haven.

W. Ray Thomas of Pittsburgh was elected vice-president. He was the senior member of the executive committee, having served under both the old and the new constitutions. Hunter Brown, Pensacola, Fla., who had been the pre-convention favorite, declined to run and personally seconded Mr. Thomas' name when it was offered to the National Board of State Directors for nomination by H. E. Davis, Providence, R. I., state director.

W. Ray Thomas after graduating from Washington & Jefferson College entered the employ of American Surety in 1909 at Pittsburgh, getting well grounded in surety business. In 1920 he joined J. W. Henry, manager, Aetna Casualty, as head of the surety department. In 1929 he went in business for himself as W. Ray Thomas & Co. In 1933 he took over the agency of Logne Bros. & Co. and is its head. He served two terms as president of the Pennsylvania Association of Insurance Agents. He has been on the national executive committee for two years.

Stuart Ragland, Richmond, Va., chairman of the nominating committee, presented the names of Messrs. Moreton and Thomas and they were elected without opposition.

Mr. Brown and Guy T. Warfield, Jr., Baltimore, were reelected to the executive committee. These two members and Messrs. Moreton and Thomas will select the other three executive committee members.

Election Held Early

As early as Saturday, when the executive committee, the officers, home office staff, and a surprising number of state association leaders arrived, the predominant interest in public relations and federal threats was obvious. By Sunday, the William Penn Hotel was nearly full, but, contrary to all precedent, there was very little hilarity. From the convening

(CONTINUED ON PAGE 46)

Look at Future, Install Officers at Final Session

**Moreton to Be Vested;
Four Star Speakers on
Public Relations Forum**

PITTSBURGH—The always popular group sessions on agency management and a high-powered forum on public relations, featuring four distinguished speakers, three of them outside the insurance business, will feature the final day of the National Association of Insurance Agents meeting here. For the first time, election of officers was held early in the meeting, instead of at the end, but Fred A. Moreton, Salt Lake City, the new president, will be installed at the close of the afternoon session and David A. North, the retiring president,

and Mrs. North will be appropriately honored. W. Owen Wilson, Richmond, Va., past president, who, incidentally, was elected here in 1936, just one day short of seven years ago, will be the installing officer and Commissioner G. L. Neel of Pennsylvania will administer the oath of office.

As usual, the agency management sessions will be divided into three groups by premium volume. Up to \$100,000 annually comprises the first group, \$100,000 to \$300,000 the second, while the third, the "Million Dollar Round Table" of the fire and casualty business, takes in offices with income in excess of \$300,000.

Tom J. Neff, Wheeling, W. Va., will preside over the first group, J. M. Han-

(CONTINUED ON PAGE 47)

Constructive Work and Effort Before the Agency Body

**National Association of
Insurance Agents Moves
to New Heights**

By C. M. CARTWRIGHT

PITTSBURGH—The National Association of Insurance Agents appeared in annual convention in new dress and new countenance. There were five members of the executive committee in addition to President David A. North of New Haven, Conn., and Vice-president Fred A. Moreton, of Salt Lake City, they being Hunter Brown of Pensacola; Harry Perk, Jr., of Los Angeles; T. G. Redden of Greensboro, N. C.; W. R. Thomas of Pittsburgh; Guy T. Warfield, Jr., Baltimore. They constituted the steering committee, for they report to the National Board of State Directors, which is the court of last resort. The executive committee met twice Saturday and once Sunday but from that time the big governing body held sway, chiefly in executive session. There were two open meetings.

Heretofore the report of the administration was written at headquarters without reference to the executive committee. Now the report cannot be released before approved by the executive committee. Prior to this convention, advance news releases were sent out to the trade press ten days or more ahead. This year the report was handed to the newspaper men Sunday.

Bennett on the Sidelines

The greatest change was the absence of Walter H. Bennett from the deliberations of the guiding groups. Heretofore he had been at the helm. He was the storm center, busy, hustling, tireless. His counsel was sought and he ruled the roost. In many respects he was the National association. Now he sits on the steps of the temple and watches the worshippers pass along. No longer is he at the altar.

Old-timers are vividly reminded that a new day has dawned, new ideas are paramount, a new garment is worn. The places that knew Mr. Bennett and his cohorts shall know them no more. He is retained as counsel but that is a sort of pacific job. But at that Mr. Bennett's services to the National association are invaluable. He built a strong organization and his devotion to the cause was always sincere.

Change in the Program

There is considerable change in the program mechanics. Vice-president Fred Moreton presented the report of the administration, while President David North gave the keynote speech or presidential address.

The greatest and most advanced move of the organization is its passing into the realm of public relations. Its new public relation counselor, Averell Broughton, was here and many leaders

(CONTINUED ON PAGE 47)



W. Ray Thomas



Top—David A. North, New Haven, Conn., president National association; Hunter Brown, Pensacola, Fla., and T. G. Redden, Greensboro, N. C., executive committee members.

Below—Harry Perk, Jr., Los Angeles; Guy T. Warfield, Jr., Baltimore, executive committeemen, and Averell Broughton, New York, N. A. I. A. public relations counsel.

Anti-Trust Action Would Rob Assured of Security: Thomas

**National Board Chief
Says Insurance Differs
from Commodity Sales**

PITTSBURGH—In his address at the opening session of the National Association of Insurance Agents convention, John M. Thomas, president National Union and president National Board of Fire Underwriters, squarely met the challenge of the federal government's anti-trust actions against the fire insurance business, declaring that unbridled competition between insurance companies and destruction of the rate structure would be ruinous to the public.

Mr. Thomas, who spoke under the title "United in the Public Interest," also praised the public relations program of the National Association and promised the full cooperation of the National Board.

Not Seeking Favors

"The companies," Mr. Thomas said, "are not asking to be exempt from any laws which should properly govern this business. They are not asking for any special franchise or privileges. They clearly are not asking to be exempted from regulation. Probably no business exists today that is subject to the same degree of state regulation as ours. Nor are they seeking immunity from prosecution for any acts of which the courts may find them guilty."

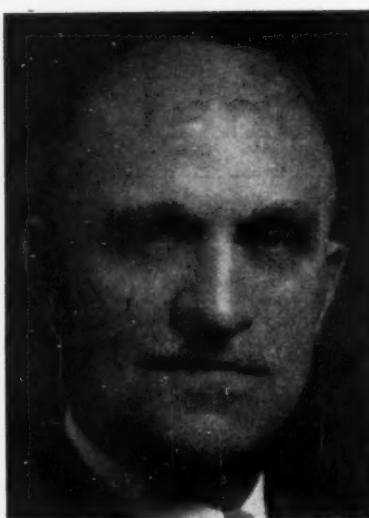
"They are asking that the nature and history of the fire insurance business be fully considered before anything is done to nullify the progress that has been made throughout the years."

"Fire insurance, as you well know, is not a commodity or manufactured product. The universal law governing commodities—the law of supply and demand—is not applicable to the fire insurance business. The public interest lies in making sure not only that premium rates and the like are uniform and fair to the premium payer, but also that they are adequate to protect the solvency of the companies in the interest of the policyholders. Otherwise there would be no real insurance."

"On the other hand, federal anti-trust laws, requiring unbridled competition

(CONTINUED ON PAGE 40)

National Board President Addresses Agency Body



JOHN M. THOMAS
President National Union Fire

Activities at Pittsburgh Under Full Way Saturday

PITTSBURGH—The convention of the National Association of Insurance Agents was almost fully under way by Saturday, when the executive committee first met, although not many registrants were in evidence until that evening. Saturday evening and Sunday morning saw a great influx of both agents and company executives and the lobby of the William Penn hotel was the traditional beehive by Sunday. Holding the meeting of the National Board of State Directors on Sunday made for a full house that day.

The only organized entertainment before the convention formally opened was the usual dinner tendered the executive committee Saturday evening by the local insurance people. By Sunday, however, unofficial groups were well organized. Most of the state directors were accompanied by one or more other state association officers, although in some cases the full complement was not checked in until Monday. The dinner of the Association Executives Conference Sunday night brought virtually all the state and local secretaries in by Sunday.

Practically every state was represented when President D. A. North

New N. A. I. A. President Has Splendid Record

Fred A. Moreton, the new N.A.I.A. president, advanced from the position of vice-president, is not only a prominent insurance man in Salt Lake City but he takes an active part in many of its enterprises. His father was a pioneer in the insurance business. Mrs. Moreton also is prominent in civic matters in Salt Lake City as well as being a leading social figure. Mr. Moreton went to the University of Utah and then entered Massachusetts Institute of Technology where he was graduated from its School of Military Aeronautics. After leaving school he entered the army and was made a lieutenant in the air force in world war 1. He served in aviation fields in Texas and California. Subsequently he was a member of the staff of the Chief of Air Service of the U. S. Army at Washington.

When he was discharged from the army Mr. Moreton entered his father's agency, the J. B. Moreton Company of Salt Lake City, later becoming secretary and manager. In 1936 he purchased the balance of the stock that he did not own and hence at this time he is sole owner of the business. In 1933 he was elected president of the Surety & Casualty Underwriters Association of Salt Lake City. He has been secretary, vice-president and president of the Salt Lake City Fire Underwriters Association and has been very active in the Utah Fire & Casualty Insurers Association.

He became an active force in the National association when he was elected national councillor in 1936, 1937, 1938. He was chairman of the Utah committee which met in San Francisco with the committee of company managers representing the Pacific Board. He became a member of the National Association executive committee in 1939 and was elected vice-president a year ago.

Pittsburgh Association Entertained

The Pittsburgh Insurance Agents Association entertained the National association officers, headquarters staff, members of the executive committee, ex-presidents and some of the National Committee chairmen at the Duquesne Club Saturday evening. President John B. Ladley was in charge.

called the National Board of State Directors to order Sunday afternoon. The first meeting was executive, as was the second meeting Monday afternoon, but an open meeting was held Monday night and executive sessions will be held Wednesday and Thursday. Directors were seated by states, with the executive committee facing them.

Moreton Reports on Association's Work During Past Year

**Administration Account
Stresses Public Relations,
Federal Threats**

PITTSBURGH—In the report of the administration of the National Association of Insurance Agents, delivered at the opening session Monday afternoon, Vice-president F. A. Moreton, Salt Lake City, discussed three major developments within the National association and urged the members to support the Van Nuys-Bailey bill before Congress as an answer to the threat of federal control over insurance.

Delivery of the report by Mr. Moreton marked a change from the established National association procedure, as previously the president had done this. Instead, President D. A. North gave the keynote address, an assignment for years reserved to Walter H. Bennett when he was secretary-counsel.

Personnel Changes

Mr. Moreton said that the National association had experienced three important internal developments, adoption of the new constitution at Chicago last year, changes in personnel at the New York office and adoption of the public relations program. He called the new constitution a great step forward and one in keeping with the philosophy of states rights and state control.

When Mr. Bennett retired as secretary after 22 years service and became general counsel, J. B. Miller, formerly assistant secretary, was appointed secretary, while G. D. Fairleigh became treasurer and continued as assistant secretary. George Scott continued as educational director and Russell Rhodes became editor of the "American Agency Bulletin," house organ of the National association. Mr. Moreton also pointed out with regret the death of William McVicar, who had been assistant treasurer for many years.

The third important development was the approval of the public relations campaign at the Tulsa meeting last winter. The goal of \$300,000 has been passed in pledges and Mr. Moreton urged all states which have not reached their minimum quotas to drive for a 100% participation. The fund is kept separately from other National Association money, he said. Averell Broughton of New York was engaged as public relations director.

Mr. Moreton also reviewed briefly the activities of the committees, which are reported elsewhere in THE NATIONAL UNDERWRITER. It was noteworthy, he said, that the education division's courses have become so popular that student fees paid for 61% of the total educational expenses, while the previous year they paid for only 9% of this. Two new special committees were appointed during the year, Factory Insurance Association, headed by L. C. Hilgemann, Milwaukee, and branch office, under W. S. Keese, Chattanooga. Mr. Moreton praised the work of the committees and the unselfish efforts of their members.

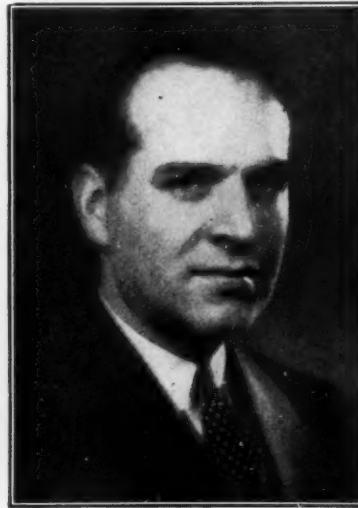
Mr. Moreton closed his report with a review of the federal anti-trust action against the fire insurance companies at Atlanta and the introduction of the Van Nuys-Bailey bill. He said that the major problem of the National association is to get men to do the work laid out for it, that the demands of war make it hard to get the right men and urged everyone to give as much of his time to the work as he possibly can.



FRED A. MORETON, Salt Lake City
New President



DAVID A. NORTH, New Haven, Conn.
Retiring President



J. B. MILLER, New York City
Secretary

Making Personal Accounts Profitable Is Discussed

B. D. O. Pattern for Production

The Business Development Office presented its fourth "Pattern for Production" program at the National Association of Insurance Agents convention in Pittsburgh, Milton W. Mays, director of the B.D.O., said in introducing what has come to be one of the features of the gathering. The subject at Pittsburgh was, "Can Personal Accounts Be Made Profitable?"



Milton W. Mays

Allan I. Wolff, Chicago, past president of the N.A.I.A., and chairman of the agents' advisory committee of the B.D.O., presided.

In the report of the Business Development Office committee, Mr. Wolff said the B.D.O., being the only organization maintained jointly by agents and companies, hopes to become the central research office of the fire insurance business. Negotiations for this are under way and Mr. Wolff hopes the matter will be closed soon.

Mr. Wolff reviewed the work of the B.D.O. with war damage insurance. A detailed report has been filed with War Damage Corporation and is a matter of public record. Records at the B.D.O. show that local agents distributed 6,800,000 pieces of mail advertising and sponsored 1,185 radio programs.

"At almost every convention I have attended, I have heard someone make the remark that it costs him something like \$3.60 to write a policy and, as a result, he cannot afford to write policies carrying small premiums," Mr. Mays commented. "We are not quite convinced that any agent can truthfully say that he cannot afford to write any policy regardless of how small the premium might be, provided he can collect the premium, and we have yet to observe one case where an agent saved \$3.60 by refusing to write a small policy."

Meets Social Criticism

"Quite aside from the dollars and cents item in writing small policies, there is another consideration that demands that we give this subject careful study," he added. "The insurance business, like many other large businesses, has been beset by sharp criticism from those who would make our business over. One charge that has been leveled at us is that we have failed to do a thorough job in protecting many persons in the middle and lower income brackets who have but small values at risk. This is a charge upon which we can well reflect for, if it is true, we are guilty of neglecting the largest group of property-owners in the United States as well as those who, in the aggregate, have the greatest amount of values at risk."

Can Do More Complete Job

"We feel that it is highly appropriate to consider the subject of personal accounts as distinguished from the so-called business accounts because, according to various reliable estimates, more than one-third of our total premium income comes from the personal accounts involving small premiums. If we already have contact with the large group of partially insured individuals represented by this substantial volume of premiums, we have in our very hands the prospect list needed for the development of a considerable amount of new business. At the same time, we have the avenue along which we can travel to discharge what we might call our social obligation to make sound insurance

protection available to all who need it."

The Curtis Publishing Co. survey reveals that there is a vast untouched market for various kinds of insurance the agent should be selling, he said. Proper attention to this market might change the \$5 premium that some agents say they cannot afford to write into a \$50 premium and, at the same time, agents will more nearly be doing a complete selling job.

Buyer on Program

J. Louis Bossart, vice-president of the Donaldson Motor Co. of Pittsburgh, gave his experiences as an average buyer of insurance, a business man and home owner. Mr. Bossart gave his experiences with personal insurance as "Mr. Average Man." He reviewed the insurance explanation given by agents, surveys and analysis of requirements, attention to various insurance forms offered, where he buys insurance and why, the services rendered, recommendations of types of insurance protection, and his actual experience on a household contents insurance policy for 12 years.

RAYMOND A. TUCKER

More than 75% of the volume of the agency of Tucker & Johnston, Pittsburgh, is from personal insurance accounts. Raymond A. Tucker in discussing the agency's experience in soliciting personal insurance accounts said that as a direct outgrowth of its personal accounts, it has developed a large volume of industrial and mercantile risks, which in turn, has created new personal accounts with their executives and office personnel.

The agency handles all lines, including life and accident, Mr. Tucker said. One line complements the other. An accident policy later produces a life application, or an automobile policy produces an accident application, a residence liability risk produces a residence burglary policy, or a fire line, etc.

Surveys Serviceable, Productive

Consequently the agency finds it most serviceable and productive of good results eventually to survey a customer's entire needs, to record his expirations for future reference, and submit its recommendations for additional coverage or improvements or endorsements on his existing policies.

It is amazing to find in these surveys so many persons without many of the important personal coverages, and many whose coverage is incomplete or inadequate,

he said. The individual policy premiums in most cases are not large, but in the aggregate, on a given risk, can amount to a substantial figure. However, first thought should be the professional viewpoint, service to the customer, he declared. The benefits of this professional viewpoint to the insurance business as a whole are incalculable, and it is necessary to raise the standards of agency qualifications and service, if the American agency system is to be preserved, he said.

Professional Approach

In developing personal insurance accounts the agency to attract any type of business must develop a professional personality as expressed through its owners, clerks, stationery, records, office arrangements, telephone and claim service, Mr. Tucker said. All personnel must be properly trained to render the very utmost in service and courtesy, based upon a good knowledge of the business or the ability to obtain the necessary information with the least delay. He recommended that pending claims be periodically checked with the adjusting departments in order to hasten their settlement, and to keep assured acquainted with their progress.

A geographical card index of fire risks should be kept so that rate changes may be easily adjusted when individual risks are re-rated or when a whole community receives a basic re-rating thus making it possible to be the first to grant the reduction to a given policyholder. Naturally, if another agent on the same risk does not render the same service, it enhances the prestige of the efficient agent, resulting in his ultimately obtaining the entire account. This has often proved to be the case.

Check for Changes, Increases

All renewals should be carefully checked for changes or increases, he stated, and in ample time before the expiration date. This offers splendid opportunity to solicit additional lines. History records of each customer's account should be kept up to date in order to ascertain what coverages he possesses, and those he still needs.

Expiration cards of other agents' policies or prospects should be kept by months and solicited 45 days in advance of expiration, with the prime thought of rendering service for broader coverage, etc. Many customers rely upon the agent to remind them of the coming expiration, with the full intention of giving him the business, particularly as applied to fire, theft and collision in-

surance on cars they purchased on the finance plan, where no agent was involved.

The agency uses a birth date card record which serves a double purpose. It is used to send out a handsome birthday card to the men or women listed, with no advertisement, except the signature of either partner under the partnership signature rubber stamp. Mr. Tucker said card builds tremendous good-will, as evidenced by the thanks received by letters and phone calls. These birth dates are obtained from life and accident policyholders and from other less obvious sources, such as requesting their birth dates when insuring cars, homes, etc. The birth date card is also used to send out another card before the occasion of their life insurance age change as a reminder that their rates will be higher if they delay. This card brings much unexpected business, directly and indirectly.

Creating Good Will

Goodwill is further enhanced by sending out sincere and sympathetic letters of congratulation or condolence, as the case may be, or special cards to those who are confined by sickness or accident. Naturally, any forms of outdoor or publication advertisements, or calendars, bridge pads, etc., are helpful in obtaining new customers, and appropriate circulars enclosed in the daily mail bring new inquiries for the particular coverage. Today, he said, competition requires that the agent equip himself with competitive sales material in loose-leaf book form, with photostatic copies of data, newspaper clippings, etc., to strengthen and support his arguments.

Miscellaneous services a progressive agent can render to customers, include assisting in the drawing up of partnership and trust agreements and wills with their attorneys, arranging bank loans and mortgages, furnishing sales and employment tips, and assisting in the settlement of insurance claims of customers against other companies, he said. It is surprising the number of ways one is called upon, or may volunteer, to assist his customers or prospects in obtaining certain desired results, all of which builds good will for the agency.

Mr. Tucker's agency will soon start its 20th year and during the past 10 years it has increased its casualty, fire and marine premiums over 145%, through its particular methods of good will building. He said that of the average of 305 new policies per year secured by the agency since 1933, 53% were voluntary, 47% solicited; and that 67% came from existing policyholders, 14% from social, civic and club contacts, 18% from policyholders' introductions, and 1% from prospects with which those in the agency were not acquainted. The highest number of new policies obtained in any one year was 425, the lowest 216, he said.

COLLECTING ACCOUNTS

The collection of accounts is a problem which the insurance agent, whether large or small, always has with him, Joseph D. Lazenby, Annapolis, Md., said in his talk on the production panel. However, he said, because of the variety of conditions which may govern, it is practically impossible to lay down any set of rules applicable to every business.

Mr. Lazenby said that his own agency is located in a small town that is nearly all residential. It has one lumber yard, one hotel, one dairy, one newspaper, one shipyard, no big stores, and, in fact,

(CONTINUED ON PAGE 43)



Some Mississippians shown at Pittsburgh convention of the N.A.I.A.: Clant M. Seay, Jackson, secretary-manager Mississippi association; Theo Hardy, Vicksburg, national state director, and O. Shaw Johnson, Clarksdale.

Membership Held at All-Time High

Puerto Rico Group Added; Other Committee Reports

Highlighting the committee reports of the National Association of Insurance Agents was the welcome news that, despite the drain of agents into the armed forces, membership has been held at last year's all time high and on Sept. 1 stood



FRED C. RICHARDT

at 16,647 agencies, a gain of one member. As has been done for several years, the committee reports were not read at the convention sessions, but were made available to members before the convention opened and any member is free to bring up at the convention any matter discussed in a report. Some of the reports were read at the meeting of the state directors.

F. C. Richardt, Evansville, Ind., chairman of the membership committee, reported that the Puerto Rico Association of Insurance Agents, with a coextensive membership of 15, has become an affiliated unit in the National association. The Alaska and Hawaii associations have been affiliated for some time.

The membership results were accomplished despite the abnormal total loss of 1,490 members, compared with 1,369 last year. This was due largely to consolidations and closing of many one-man agencies because of entry into the armed forces. Mr. Richardt, who is also president and state national director of the Indiana Association of Insurance Agents, pointed out that the accomplishment involved overcoming not only this handicap, but also transportation difficulties, which forced state association leaders to do most of their membership solicitation by correspondence. The turnover in membership, however, is too high, Mr. Richardt said, and the membership committee recommends that state leaders carry on a campaign of education "to convince members that their trade organization is the only means of protection against the forces that are continually trying to destroy the American agency system and all for which it stands."

The goal is 20,000 members and Mr. Richardt said this can be attained when the public relations program gets into full swing, if all state and local leaders will work hard. States, where practical, should be divided into districts with a key man in each zone charged with membership responsibility. A good division is by congressional districts of the state. Mr. Richardt said that the National association headquarters were so busy with details of the public relations program that they were unable to carry out the Tulsa resolution that all printed membership promotional material should be immediately brought up to date, expanded and made available to each state association. This will be done, however, as soon as the headquarters staff has a breathing spell.

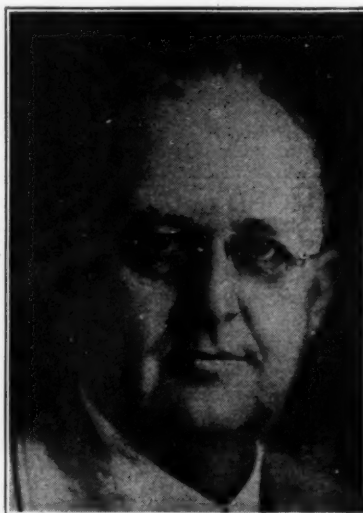
Mr. Richardt emphasized that 15 state associations during the past year reached the highest membership in their histories. They are Alabama, California, Connecticut, Illinois, Indiana, Maryland, Massachusetts, Nebraska, Nevada, Oregon, Rhode Island, South Carolina, Utah, Washington and Wyoming. Despite all the present difficulties, 29 states

and territorial associations made membership gains or at least held their own during the past year.

Indiana, Mr. Richardt's home state, led in new members added, 119. Texas was second with 112 and California third with 104. Alabama had the highest net gain, 87, followed by Nebraska with 60 and Indiana with 49.

EDUCATIONAL

In a little more than one year 5,422 insurance men and women have enrolled in 189 separate study courses sponsored by 76 separate study groups in 27 differ-



L. P. MCCORD

ent states involving 70,072 study hours. L. P. McCord, Jacksonville, Fla., said. Mr. McCord, chairman of the educational committee, said these figures show how rapidly insurance men and women have grasped the opportunity

of having discussion groups brought to their front door. There will be many more groups and individuals participating in the next 12 months.

A great deal of experience has been accumulated during the past year which will be of great value in planning future developments. The educational division is distributing this fall revised and expanded discussion outlines, and plans to issue a series of informal bulletins this year containing reports of progress as well as suggestions on successful experiences of classes in improved methods of getting even greater benefits from the courses. These bulletins should be particularly helpful to the local study group leaders.

The National Association of Insurance Women has helped in many ways to promote the educational program. In many places the women's clubs are sponsoring the programs.

Much is being said about post-war planning, Mr. McCord said. Insurance agents will need as never before to make their offices efficient and their efforts effective. With higher taxes, increased costs of operation and continued dwindling income due to reduction in both rates and commissions, the progressive agent is certain to be resurveying his operations in every detail to meet this unpromising situation. He will need help from every available source. The educational program will offer him considerable assistance, for an efficient and alert personnel is an asset to any office. The program fits into the public relations picture and should serve as a continuing influence to help develop a better understanding between local agents and the public, he said.

FIRE PREVENTION

Public interest in fire prevention work has been aroused by the war and its emphasis on conservation of essential material, Harold N. Mann, Tacoma, Wash., said in his report as chairman of the fire prevention committee. Ra-

(CONTINUED ON PAGE 42)

ALLEN E. HENDRICKS, President

R. W. SCHIRMER, Vice President

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ACCREDITED AGENTS AND BROKERS—THE
KIND OF COMPANIES ACCREDITED AGENTS
AND BROKERS LIKE TO DO BUSINESS WITH

Public Relations Program Is Being Put to Early Test

President North Sees Anti-Trust Exemption Bills as Vital

PITTSBURGH—David A. North of New Haven, Conn., in his presidential address at the convention of the National Association of Insurance Agents, dwelt enthusiastically on the public relations program of the organization. He was able to speak with exhilaration because of the achievement of his administration in setting into motion the public relations program that was authorized at the 1942 convention in Chicago.

Mr. North recalled that the national officers last year charged each state delegation to organize its state association so that when the need might arise for unified action on any national issue each state would go into action simultaneously and concertedly. The type of issue has now arisen in which such united effort is essential and that is the measures in Congress to exempt insurance from the federal anti-trust laws.

Believes Legislation Vital

Mr. North expressed the opinion that these bills must pass to secure the continued economic freedom of insurance as it is known today.

After the Chicago convention, he recalled, the administration urged all insurance associations and individuals to tell the story of insurance as free enterprise, as an economic necessity and as a national institution to their newly elected congressmen and agents were urged to demonstrate their economic and independent status as business men. Later the N.A.I.A. headquarters renewed the plea for local agents to get acquainted with congressmen while home for the Christmas holidays and again following the July recess it urged the strengthening of these community ties.

"We are not only planning for and building up a program of present public relations," he said, "we are at present living with one."

Relations with Associates

"Public relations," Mr. North said, "has guided the thinking of the administration in practically all of its activities this year. To win the confidence and respect of the public is one of the stated objectives and one of the 'publics' with which the agents deal is the industry of insurance itself." Mr. North said the administration has endeavored to conduct itself so that the agents might earn the respect and confidence of other elements in the industry. Agency relations with the companies have been maintained on a high plane. N.A.I.A. has enjoyed a high degree of mutual confidence and respect in its dealings with the companies. The same type of association has been sought in dealings with insurance brokers and other agency organizations.

The magnificent response to the campaign for funds is an indication of the tremendous significance of the program. Subscriptions were pledged in all sections of the country with enthusiasm. The administration had to raise the money before it could announce definitely the specific program. Hence it appreciates the trust and confidence that was manifested in the administration. The N.A.I.A. has engaged competent counsel to aid in preparation of a permanent and sustaining program. Be-

cause the money was forthcoming so promptly the N.A.I.A. has been able to commence earlier than otherwise would have been possible some of the projects on which attention was needed and it has enabled the association to step into the breach of the present crisis which the industry faces through the pending congressional action.

Qualification of Agents

One of the public relations problems of the future, he said, is that of qualification of local agents. Qualification laws alone are not the answer, he said. Qualification of representatives depends

(CONTINUED ON PAGE 44)

Entertainment Provided for Visiting Women at the Convention

Mrs. H. M. Schmidt was head of the women's entertainment committee that had its special headquarters at the N.A.I.A. convention.

The women were taken Monday to the sky show at Buhl Planetarium. Afterward they were guests of the Pittsburgh Insurance Club at a buffet luncheon.

On Tuesday the ladies were at luncheon at Horne's tea room and saw

a style show there. This was furnished by Allemania Fire, Globe & Republic Fire, National-Ben Franklin Fire, and National Union Fire.

Staff Members Present

From the staff of the National Association of Insurance Agents there were present Secretary J. B. Miller, Counsel W. H. Bennett, Assistant Secretary and Treasurer George D. Fairleigh, educational director, G. W. Scott, Editor Russell Rhodes, Miss Mary Moberly, private secretary, and assistant Secretary W. T. Reed from the Washington office.

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At Valley Forge, at Trenton—*somewhere*, General George Washington uncovered an American principle that will win *this* war for us. He discovered that Americans, shoulder-to-shoulder, can generate an *extra* effort that's often the margin of victory.

It's *working* today—just as it did in our original battle of freedom. Of course, our soldiers aren't ragged and hungry as Washington's men often were—but you'll notice those medals the boys are winning are rewards for merit *beyond the line of duty*.

It holds for the home front, too. We've noticed it in the fire insurance industry. There are fewer men available, severe transportation difficulties, and more work than ever. Yet pro-

tection is still being given—you don't see any signs "Sorry, No Insurance." And just for good measure, you'll notice that insurance agents are in the forefront of civilian defense activities.

Our company keenly feels the need to contribute *our* modest "something extra", so . . .

All new gross premiums collected by The Home for the balance of 1943 are being invested in War Bonds—OVER and ABOVE its normal bond purchases.

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Ninetieth Anniversary Year

Identify Public Service in Rate, Neel Advises

Pa. Commissioner Scores Bureaucracy at N.A.I.A. Banquet

Insurance rate making authorities should recognize the public service performed by both the insurer and the agent to the public by specifically identifying this factor in the rate, Gregg L. Neel, commissioner of Pennsylvania, declared in his talk at the banquet of the National Association of Insurance Agents in Pittsburgh Tuesday night. Mr. Neel created a strong impression. He has a flair for effectively blending general and insurance topics in a discourse, and he developed an unusual idea.



G. L. Neel

The public service performed by insurers and agents should be recognized as a direct return to the insured as much as his loss ratio, Mr. Neel declared. The fire companies have too long delayed publicizing the value of this service to the public, he declared. Consequently in the last few weeks critics of the business have launched serious charges built on a comparison of losses with premium income.

Should Use Losses Incurred

This sort of comparison is used with particular effectiveness against casualty companies because they issue reports showing losses paid instead of losses incurred. Mr. Neel suggested that the casualty companies make every effort to alter the publication of annual statistics to show the actual losses incurred and never merely losses paid.

The rating experts should develop statistics to justify including the cost of service, he said. Fire prevention costs should be added to the loss ratio before the rate is loaded for overhead, taxes, profit, and last but far from least, agents' commissions. This cost would include at least a part of the contribution to the National Board, Underwriters Laboratories, and other preventive organizations; to salvage patrols where cities have such organizations; a portion of the expense of field men who devote time and expense to loss prevention programs, and finally some portion of executive overhead for time, effort and brains of company executives expended in connection with these activities. The local agent also contributes effort to this cause of loss prevention in the public interest and "I would not hesitate to believe his contribution as being equal to that of his company," Mr. Neel said.

The public will never have a true valuation of the premium dollar that is expended directly in the public interest, until companies, fire and casualty, cease publishing losses paid statistics and acquire the right and develop the habit of publicizing the insured's share of the premium dollar as loss payment, plus claim expense, and, above all, plus rating bureau and fire prevention expense. The percentage of the premium dollar involved in these plus items represents the difference between being able and not being able to justify the share of the premium dollar retained by the company and agent.

Mr. Neel vigorously scored bureau-

cratic and governmental threats to the insurance business. Unrestricted rate competition can mean nothing but disaster for insurance, and is not competition in the public interest, he declared. As with public utilities, it has been the consensus of American opinion to date that insurance is quasi-public in character and that unrestricted competition would be as ruinous to it as to public utilities. He pointed to the fact that Postal Telegraph and Western Union now have been merged. Continued competition between the two kept that business under the handicap of duplicated costs which if eliminated would have permitted the sale of better service.

Regulation of insurance rates under state law and membership of the majority of competing insurance companies in rating bureaus has by no means eliminated competition, he said. It has merely moved that competition from the realm of price, with resultant dangers to the insuring public, to one of service which has benefited insured.

The average rate for fire insurance has gone down and down because the fire underwriter and the local agent in the field had to keep ahead of his rates, he stated. If need for higher rates overtook him too suddenly, his company would be insolvent before he could revise his rating procedure. A policy-

holder would be the chief victim of his failure. The efforts and persistent service of insurance people produced better building conditions, safer house-keeping procedures, communities with more and better fire cut-offs, better water supply, more efficient fire fighting equipment and personnel, all to the end that the pure loss cost decreased at least as fast if not faster than insurance had to decrease its rates.

Cites Pennsylvania Experience

In defense of rate making by competent bureaus under wise and honest state supervision, Mr. Neel offered the

(CONTINUED ON PAGE 42)

Welcome to PITTSBURGH

The offices listed on this page are leaders in Pittsburgh. Through this medium they extend their cordial greetings to the National Association of Insurance Agents.

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INSURANCE

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H. P. LICHTENTHALER

Vice-President

Freehold Real Estate Company

Insurance Agents and Brokers

311 FOURTH AVENUE

Established 1886

Logue Bros. & Co., Inc.

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COMMONWEALTH BUILDING

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FIRE INSURANCE SOCIETY, LTD.

NORWICH UNION INDEMNITY COMPANY • 75 MAIDEN LANE, NEW YORK, N. Y.

Fidelity Line Gets Big Lift in War Period

Alexander Foster Sees Good Post War Market Available

PITTSBURGH—Alexander Foster, manager of the fidelity and surety department of the Association of Casualty & Surety Executives, was the principal speaker Tuesday when the Pittsburgh Surety Association acted as host to the N.A.I.A. in an annual session here.

Mr. Foster, speaking of the past, present and future of the fidelity and surety business, reminded the agents that they had missed a bet in not writing more fidelity and surety bonds out of the war contract business, warned of the possibility of government interference, and on the whole forecast a bright future for all lines of the insurance business.



Alexander Foster

Prepare for Post War Era

"These are times when all men begin to prepare for the post-war era," Mr. Foster said. "We are told that our country will emerge into a period of peace-time boom almost unheard-of in all of our amazing history. I do not know, and neither do you whether we shall enjoy such prosperity. But we do know that opportunities for growth in business will be exceptionally good. So, I would like to look forward with you today—and also backward a bit—to see just where the surety business may fit more largely into your prospects.

"First, let me take you back over the trail of the last two years. Pearl Harbor found all of us far from ready. As we hurtled from peace into all-out war, we staggered under the impact of the restrictions that of necessity were imposed upon us. When gasoline rationing overtook us, as we should have known it would, many an agent pondered: 'What shall I do to replace this important line?'

"Too few of our producers realized that there was a line ready and waiting to take the place of automobile insurance. It was the fidelity and surety bond line, with all of its classifications. The war was pressing into service every man who could create a manufacturing plant, large or small. Of established manufacturers and dealers it was demanding results far beyond their dreams. Of the newcomers, it was exacting every ounce of pressure they could put on. Both sorely needed the aid of surety and fidelity bonds. That field would more than have taken up the slack when motor vehicles were driven from the highways or limited as to their use.

"It is a fine commentary on our business that we thus find such exceptional elasticity, such a fine balance. Surely no man need worry about his future if he has made his stake in a business that is so thoroughly adjustable to new conditions. Think about that for a moment. Here, due to conditions beyond our control, a rich and reliable line was suddenly hit by depression; but automatically another, equally as good was ready to take its place.

"But do not let us imagine for a mo-

ment that the need for the protection of fidelity and surety bonds is but a passing phase of the war endeavor. On the contrary, once a manufacturer or business man is sold on the value of these bonds, and once he has thoroughly been brought to understand his need of them, he will never endeavor to conduct his business without them."

Turning to the problem of government interference, Mr. Foster said:

"The fidelity and surety field has not been without suggestions of government interference. At various times during the war period, many in high places have suggested a federal bonding company for the purpose of securing federal contracts. The suggestion has also been made that some device be established for the retention of a portion of contract funds to secure labor and material furnishers.

"The latest attempt on the part of Washington to take over a portion of our business is a bill now pending in Congress, which seeks to set up a fund for the purpose of bonding federal employees, as well as employees of federal agencies and corporations owned or controlled by the federal government. Each of these measures is based upon the premise that the function of the bond is a necessary element in our method of doing business. The ostensible reason for the attack on us is to save premiums.



N.A.I.A. convention group: W. B. Miller, secretary of American; W. Owen Wilson, Richmond, former president; Claude D. Minor, president Virginia F. & M.; Clarke Smith, vice-president Globe Indemnity; M. H. Grannatt, assistant U. S. manager Royal-Liverpool; C. J. Johnson of Alfred Paull & Son, Wheeling, W. Va.

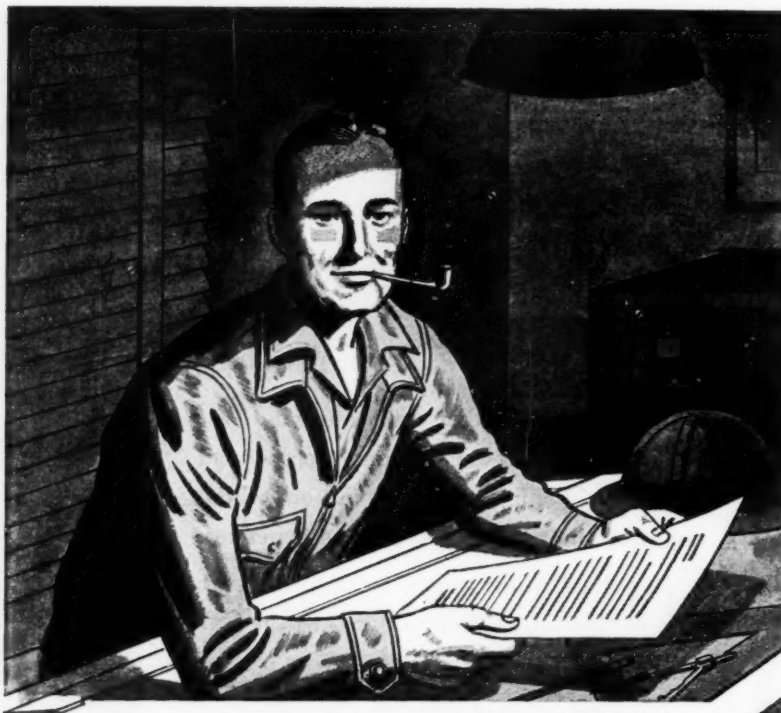
sible reason for the attack on us is to save premiums.

"So far as the price is concerned, there is no doubt that the federal government can undersell us. There will be no agent in every village and hamlet. Those desiring bonds will have to procure them by mail. The federal government will naturally pay no taxes, and any catastrophe losses can be taken out

of the hide of the taxpayers. Under these circumstances, it would be no particular accomplishment to make a good paper showing.

"If the federal government can go into the bonding business, it could likewise go into the shoe business. Everyone needs shoes. There is, therefore, a greater argument for invading this

(CONTINUED ON PAGE 40)



I SAVED LIVES TODAY

Today when every man hour saved is an hour closer to victory, Associated Engineers will be found on the job — saving lives, money for the employer, and building a successful relationship between the agent and his client.

ASSOCIATED INDEMNITY CORPORATION

L. H. Mueller, Chairman
L. S. Moorhead, President



San Francisco — New York,
Dallas, Chicago



HERE'S A TESTED PLAN TO BOOST YOUR PREMIUM INCOME!

If you are an aggressive agent...

If you want to spread your business
and increase your premium volume...

If you want to make every call count...

Look into the unusual opportunities
offered by this strong multiple-line
participating company.

AMICO agents are continually leading the field with new, broader forms of insurance. Insurance men who have taken advantage of the AMICO plan have boosted their premium income, and are selling more insurance to present policyholders, and developing a substantial volume of business from a growing market of new prospects.

Here are some of the many lines of insurance which AMICO agents are writing with increased success.

Non-Occupational Personal Accident Policy—\$10 for one year, \$25 for three years—An excellent business-builder and door-opener for other forms of insurance.

Comprehensive Personal Liability Policy—a new broad policy for which there is ever growing demand.

Residence and Outside Theft—(covering mysterious disappearance)—another line that provides substantial income and helps offset decreases in Automobile premiums.

Residence Boiler Explosion—a new streamlined policy, providing \$10,000 of insurance for 3 years at a total advance premium of \$10.

AMICO agents also are consistently selling the larger lines such as Automobile, Boiler and Machinery, Workmen's Compensation, Plate Glass, Burglary, Fidelity and Surety Bonds.

AMICO has helped aggressive agents increase their agency plant by keeping them ahead of the field. It always has returned substantial dividend savings to participating policyholders at the end of each premium period. (This is a real help to you at renewal time). And AMICO's record is outstanding for prompt and equitable payment of losses.

Find out about the AMICO franchise in your community. Just write on your letterhead today.

AMICO gives you more sales ammunition. AMICO sales plans and tested advertising material bring you every opportunity to develop more business and help you successfully meet local conditions in your community.

Here's a list of some of the direct sales-promotion helps offered to AMICO agents:

- Direct-mail Campaigns
- Stuffer letters
- Newspaper Advertising Mats
- Radio Spot Announcements
- Booklets and Folders
- Property and Automobile Owners' "sales getters"
- Warning Posters
- Blotters
- Inserts and Other Sales Pieces
- Monthly Sales Pointers

AUTOMOBILE

BURGLARY

PUBLIC LIABILITY

PLATE GLASS

FIDELITY BONDS



BOILER AND MACHINERY

PERSONAL ACCIDENT

WORKMEN'S COMPENSATION

CHICAGO (40): Mutual Insurance Bldg. NEW YORK (17): 342 Madison Ave. PHILADELPHIA (7): 12 S. 12th St. BOSTON (10): 260 Tremont St.
SYRACUSE (2): Syracuse-Kemper Ins. Bldg. LOS ANGELES (5): 2060 Wilshire Blvd. SAN FRANCISCO (4): Russ Bldg. ATLANTA (3): 41 Exchange Place

Agents Regional Group Conferences Successful

Three of the four former national councillors conferences of the National Association of Insurance Agents, eliminated by the constitutional changes last year, have reorganized as agents territorial conferences and met at Pittsburgh this week. The middle western group under George W. Carter, Detroit, met on Tuesday morning and the far west and southeastern groups on Monday morning.

Haerle Heads Coast Group

G. W. Haerle, Portland, Ore., was elected chairman of the Pacific coast group, which adopted a new constitution and changed its name to the Far West Agents Conference. A. Ottenheimer, Salt Lake City, was elected vice-chairman and A. W. White, Seattle, secretary and treasurer. F. C. Colridge, Oakland, executive secretary California Association of Insurance Agents, agreed to continue as executive secretary of the group.

In the absence of H. H. Hendren, Sacramento, state national director of the California association, who is the former chairman of the Pacific Coast group, C. W. Carpenter, Petaluma, Cal., president of the California association, presided until the new constitution was adopted and Mr. Haerle installed. The far west group decided to dispense with dues for the coming year, since it has an adequate treasury, and to elect officers during the annual meeting of the National association, since war time conditions have prevented the usual February meeting for the past two years.

Want 80-20 Collision Form

The far west group endorsed the 80-20 automobile collision form and urged that all steps be taken to secure its adoption on the Pacific Coast.

Mr. Haerle said that a comprehensive dwelling house form was ready for introduction in California, but was held up by the home offices for study by a committee. The form covers water damage and some other hazards in addition to fire and extended coverage and covers household goods away from the premises. The group also urged adoption of this form, after a discussion of the middle western forms, and after Harold McGee, Los Angeles, said that the form was developed by the research committee of the California association and that the Business Development Office is now studying dwelling and household furniture forms in all states.

Reporting U. & O.

There was some discussion of reporting use and occupancy insurance and the priorities exclusion and assumption clauses. With regard to reporting use and occupancy Mr. Haerle said that most businesses have made so many reports to the government that they do not want any more reports and cost is no longer a factor with many firms.

There also was some discussion of the Defense Plant Corporation insurance setup and the effect of anti-compact laws on it. The group was unanimously in favor of broadening coverages instead of reducing rates, wherever possible.

SOUTHEAST AGENTS

There were some 60 agents present at the Southeastern Agents Conference meeting, this being its first gathering under the new rule. The constitution and by-laws previously reported and sent out were adopted. H. J. Haas, Atlanta, temporary chairman, was elected permanent chairman. S. G. Otstot, executive secretary North Carolina Association of Insurance Agents, was also re-elected to that position.

There was considerable discussion as to the methods used by the Southeastern Underwriters Association in an-

nouncing and promulgating new rates. It was cited, for example, that the recent drastic reduction in dwelling rates and the removal of exposure charges had been embarrassing to agents because it paid an assured to cancel his policy at short rates and have it rewritten at the new rate, the agent being obliged to stand the return commission. A motion prevailed that the S. E. U. A. be urged to call in consultation the members of the conference committee of the Southeastern Agents Conference when there is a material change in class rates. It was further voted to ask the S.E.U.A. not to make rates retroactive. In the discussion, it was brought out that these reductions should not be so drastic, but they should move along more orderly.

Commission Question Up

There was considerable discussion on the commission question. President F. D. Moor, Tallahassee, of the Florida Association of Insurance Agents, announced that a conference would be held at Jacksonville next week with S.E.U.A. members and field men. He stated that some

of the eastern officials would attend, when commissions will be discussed. The Florida agents say that the sharp reduction in rates and increased expenses, some imposed by the S.E.U.A. itself, have made local agency operations rather rough sledding. This led to a discussion as to what position the conference should take. For some years it has agitated contingent commissions. At present, 20% flat is paid. The various states have gone on record as favoring the contingent plan, they declaring that it is entirely justified. Some of the delegates suggested that instead of reducing rates, it is oftentimes feasible to broaden the coverage and thus maintain at least a large portion of the gross rate.

Chairman Haas called attention to the new residence and outside theft policy which covers mysterious disappearance, saying that the words "mysterious disappearance" cover a multitude of sins and there is likelihood of considerable discussion as to just what the term means in loss adjustment. He fears that unless the phraseology is clarified, the new policy may be a boomerang.

In S.E.U.A. territory, the minimum premium on any policy is \$2. It was suggested that this should be increased to \$5. Thomas Southgate of Durham, N. C., gave it as his opinion that local boards could control this item, regard-

Official Greeters



J. F. Morgan



J. B. Ladley

Greetings were extended from the Pennsylvania Association of Insurance Agents by J. F. Morgan, Lewistown, Pa., its president and the Pittsburgh Association of Insurance Agents extended welcome through its president, John B. Ladley.

less of what the S.E.U.A. rule was.

The conference authorized the chairman to appoint a committee to further the contingent commission plan.

At the Central Western Conference
(CONTINUED ON PAGE 47)

Serving the public through
the American Agency
System since 1879

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London & Lancashire
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Greetings to members of the **NATIONAL ASSOCIATION of INSURANCE AGENTS**

To members of The National Association of Insurance Agents we extend greetings and congratulations for the splendid manner in which you have continued to render prompt and efficient service to your assureds despite wartime limitations.

Fully realizing the difficulties local agents have to overcome in servicing their communities, the Western Department of Great American Group is making every effort to lend a helping hand to agents harassed by the shortage of competent office help and faced with constant demands on their time.

In meeting the wartime agency situation, you can be assured that the Western Department of Great American Group Companies can be relied upon to lighten your heavy load through its conscientious and efficient field force.



ONE LIBERTY STREET, NEW YORK CITY

WESTERN DEPARTMENT, 310 SOUTH MICHIGAN AVE., CHICAGO

Schauffler, Johnson on Association Executives Card

Their Part in Public Relations Work Detailed at Annual Dinner

Prestige for the fire insurance business begins on Main street, Harry K. Schauffler, assistant manager of the National Board, told the members of the Association Executive Conference of the National Association of Insurance Agents at its annual dinner Sunday evening. Few individual public relations projects or complete programs can suc-



WALDO O. HILDEBRAND

ceed without the cooperation of the association executives who represent the local agency organizations throughout the country, he said.

Waldo O. Hildebrand, secretary-manager of the Michigan association and chairman of the conference, presided.

Local boards and the executives represented in the conference are effective liaison officers between thousands of individual agents and the National Board, Mr. Schauffler said. Their knowledge of local problems, practical understanding of issues which confront the business, and their availability for hopeful cooperation are key factors in the National Board's public relations planning.

Board Work Complements N.A.I.A.

He made clear that the work of the National Board in the way of public relations complements and does not compete with the program projected by the National association. Actually there is a coordinated approach to the same problems. The tools available to each group may differ under special circumstances, but the main objective remains identical.

That objective, Mr. Schauffler said, is to increase and where necessary to create prestige for fire insurance, its services and those who make the services possible. The business is dependent upon the esteem in which it is held by the public, and it will prosper in proportion to its enjoyment of public confidence and good will.

The necessity for attacking the problem now is clear to anyone concerned about the future of the business and its relations with the public, he declared. During the past year those in the business

(CONTINUED ON PAGE 48)

Company Entertainment Quiet Representatives on Hand, But "Headquarters" No Longer Advertised

In keeping with the wartime tradition, at the convention of the National Association of Insurance Agents there was no advertising of "headquarters" suites of insurance companies and no vying among companies for attendance of visiting agents. Most of the companies, however, were represented by one or more home office officials and agents were welcome at quiet but hospitable spots. Many company officials, and agents, too, maintained that the present system was far more satisfactory than the old, enabling company executives really to spend some time with their own agents and everyone to enjoy themselves. Many hoped that this system would become permanent.

The Royal-Liverpool groups had a large delegation from their companies, headed by M. H. Grannatt, assistant U. S. manager, J. L. Erhardt and E. R. Voorhis, executive regional managers of the fire companies, C. D. Minor, Richmond, new president of Virginia F. & M., Kenneth Spencer, New York, president Globe Indemnity, who was on the program, Clarke Smith, vice-president, Globe Indemnity, W. H. Atkins, production manager and H. J. McCloskey, burglary superintendent Globe Indemnity, and T. L. Bean and M. W. Slawson, respective production managers of Royal and Eagle Indemnity.

F. W. Doremus, vice-president, represented American, assisted by W. B. Miller, who joined the home office as secretary recently, and Bert Jochen, Rockford, Ill., western department manager.

H. H. Fuller, deputy U. S. manager, was on hand for Zurich, flanked, as usual, by E. J. Savage, agency superintendent.

Hartford Accident was represented by Secretary Frank C. McVicar and Hartford Fire by W. S. Vanderbilt, secretary from the home office, and J. H.

Ledbetter, Atlanta, associate southern department manager.

Vice-president Spencer Welton was on hand for Massachusetts Bonding, telling everyone about his third transfer to Chicago.

The home office of Maryland Casualty was represented by H. C. Michael, vice-president and George Peterson, assistant to the president.

Hospitality for the Security of New Haven was extended by H. H. Erdman, New Haven, vice-president Connecticut Indemnity, F. S. Bankhardt, assistant secretary, and J. J. Hubbell, resident secretary at Chicago.

After convention sessions many agents were entertained by Corroon & Reynolds hospitality. In charge were H. J. Thomson, secretary; R. R. Wilde, secretary; E. A. Flickner, vice-president in charge of Pittsburgh branch, and John Owens, manager Philadelphia branch office.

Friends of the North British were met by the following officers of the company: R. T. Stewart, secretary; W. J. Traynor, production manager; A. W. Barthlemes, secretary in charge of inland marine department; A. H. Lehman, secretary in charge of auto department; Edward McLaughlin, general counsel.

The world series games were replayed at the London Assurance headquarters each evening. K. J. Bidwell, secretary, and A. H. Steffens, executive state agent, presided. Walter Meiss, assistant U. S. manager could not attend this year much to the regret of his many friends who look forward to seeing him each year.

W. O. Dubson, vice-president Pennsylvania Casualty, came from the home office and he was aided by E. E. Gange, resident vice-president, in greeting agents.

National Union was a most gracious local host. Its official staff were almost

Past Presidents in Annual Dinner

The past presidents held their annual dinner on Sunday evening with Payne H. Midyette, Tallahassee, Fla., presiding. They had as special guests National association officers and members of the executive committee and their wives. In addition to Mr. Midyette, there were present C. L. Gandy, Birmingham; C. F. Liscomb, Duluth; E. M. Allen, New York City; Sidney O. Smith, Gainesville, Ga.; W. H. Menn, Los Angeles; W. Owen Wilson, Richmond, Va.; W. B. Calhoun, Milwaukee; Allan I. Wolff, Chicago, and W. E. Harrington, Atlanta.

constantly on hand and a suite in the hotel drew a large attendance regularly. President John M. Thomas, who was one of the outstanding speakers on the convention program, was on hand, and so were most of the other officers, including H. A. Yates, R. F. Miller and W. A. Rattelman, vice-presidents; F. J. Breen, secretary, and K. F. May, manager automobile department.

A. J. Huneke and W. H. Wagner, assistant United States managers, represented Eagle Star.

C. W. G. Bailey, assistant U. S. manager, was on hand for Ocean Accident, assisted by A. H. Stofft, assistant agency manager, and R. G. Weeks, special agent from New York, C. W. Whelan, Pittsburgh manager, and L. S. Jones, Chicago manager. The home office of Commercial Union was represented by H. W. Miller, assistant U. S. manager; D. W. Florence, secretary, and L. L. Wiltbank, general agent.

The Meserole group maintained headquarters and were represented by R. S. Oellers, vice-president; E. T. Moynahan, secretary from the home office, and Frank Pennartz, state agent with headquarters at Pittsburgh, and Frank Beddingfield, state agent for Ohio.

The "Photograph's" visual sales aids gets the A. & H. apps, \$3.00. The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.



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New York Fire Insurance Company

Corroon & Reynolds, Inc.

MANAGER

92 William Street, New York

Losses paid exceed Two Hundred and Fifty Million Dollars



Announcement of NEW NAMES

The Occidental Insurance and Occidental Indemnity companies of Fireman's Fund Group now have names which better describe their well-earned statures as national insurance organizations. From henceforth, the *Occidental Insurance Company* will be known as

WESTERN NATIONAL INSURANCE COMPANY
and the Occidental Indemnity Company as
WESTERN NATIONAL INDEMNITY COMPANY

There has been no change in ownership or management. The two companies remain members of Fireman's Fund Group and, as in the past, reflect the character and maintain the traditions of the parent company—80-year-old Fireman's Fund Insurance Company.

FIREMAN'S FUND GROUP

Fireman's Fund Insurance Company
Fireman's Fund Indemnity Company
Home Fire & Marine Insurance Company
Western National Insurance Company
Western National Indemnity Company

★ ★ ★ SAN FRANCISCO ★ NEW YORK ★ CHICAGO ★ BOSTON ★ ATLANTA ★ ★ ★

Committee on FIA Has Lively Session

Pierce Explains DPC Situation to Agency Group at Pittsburgh

The Factory Insurance Association committee of the National Association of Insurance Agents had an interesting and frank discussion of the situation at its meeting Monday morning with C. W. Pierce, New York, F. I. A. president. H. A. Payne, secretary Home of New York, was on hand representing Vice-president Ivan Escott, member of the company conference committee and H. S. Jarvis, Hartford, superintendent of agencies of Travelers Fire, represented Esmond Ewing, vice-president Travelers Fire, the other company members. L. G. Hilgemann, Milwaukee, chairman of the agents' committee and W. R. Thomas, Pittsburgh, conducted most of the discussion for the agents, but there were a number of other interested participants, including a group from Cincinnati.

Mr. Hilgemann pointed out that last year the National association passed a resolution opposing the consolidation of the three factory insurance groups, and said that this was based upon the lack of knowledge of the intention and reason, behind the merger. Mr. Pierce said that future policies of the F. I. A. must be shaped according to what will best serve the public interest, but that no system will serve the public unless agents are fairly compensated and companies get a fair return.

Discussion on DPC

Most of the discussion concerned the Defense Plant Corporation insurance setup. Mr. Pierce expressed sympathy for the view of the agents and said it was most unfortunate that the situation came to a head before the consolidation of the three factory groups and before the National association had reorganized and appointed its present committee. He said he did not think anything could be done to change the matter at present and that there was strong sentiment in Defense Plant Corporation for self-insurance if the companies did not meet the Government demands. The F. I. A., he said, has 85% of the DPC business in the United States, but DPC has self-insured a few lines which were too large for the F. I. A. to handle, rather than accept any alternative arrangement. This has been done by getting the army or navy to take title to the property and agree to hold DPC harmless in case of fire losses.

The agency leaders made no attempt to hide the dissatisfaction which agents throughout the country are showing over the DPC set-up. Mr. Pierce said that the attitude of the Reconstruction Finance Corporation officials was that they could not have defended their use of public money to a congressional committee if large commissions had been paid.

There was also a discussion of the clashes with state laws under the DPC setup, including the present impending insurance department action in Ohio. In answer to a question, Mr. Pierce said that so far Mississippi is the only state in which these arguments threaten to involve the other business of the F. I. A. The F. I. A. withdrew entirely from DPC business in that state and it was taken over by the Associated Factory Mutuals.

Norwich Union Bouquet

The Norwich Union Fire contributed according to its custom the huge chrysanthemum bouquet on the speakers rostrum. It came with the good wishes of U.S. Manager W. M. Frink.

Coal Operators Casualty of Pittsburgh distributed memorandum pads made up like match books.

Installation Officer



W. OWEN WILSON, Richmond

W. Owen Wilson of Richmond, Va., former president, is the installation officer at this year's convention.

Rural Agents Group Holds Meeting

Guy E. Rolien, Milaca, Minn., chairman of the rural agents committee, presided at the morning session of that group. Awarding of scholarships to farm youth in connection with farm fire prevention projects was discussed. H. W. Bradshaw, Delphi, Ind., explained the program of the Farm Underwriters Association in the middlewest field. This discussion was summed up in the suggestion that the idea be made nationwide and that the National Board be asked to assume this service on a country-wide basis. It was moved that a sub-committee of the incoming rural committee be appointed to study this subject.

Rural fire control projects were discussed and experience in several states was reported upon. In some instances the work of issuing pamphlets on farm fire prevention was stymied because authorities who favored the idea insisted that the expense be borne by contributions from insurance companies.

High School Courses

Courses on fire prevention in high schools are sponsored by the Pacific Board. Many rural schools are benefitting from this instruction. In New Jersey talks on fire prevention are delivered in schools, which practice is also followed in other states.

Good work is being accomplished in Ohio by the Junior Fire Fighters Club. Connecticut was also reported to have a good plan through which prizes are awarded to students.

Some states have voluntary fire departments in rural communities and the methods followed were described. It was recommended that friendly cooperation with all such projects be given by fire insurance representatives.

Firemen's Schools

Quite a number present indicated that firemen's schools are held in their states each year. Mr. Bradshaw reported that in Indiana a special class on fighting farm fires had now been included in the course which is usually put on at Purdue University.

There was some discussion of fire insurance rates and credits for farm property and it was suggested that the incoming rural agents committee obtain from the National Board a report on causes of farm fires for study. Such information, it was believed, would make

(CONTINUED ON PAGE 46)

Forshay and Neale Memorials Heard at Opening Session

The National Association of Insurance Agents opened its convention at Pittsburgh this week by honoring the memory of two past presidents who died recently, A. W. Neale, Cleveland, president in 1910 and R. W. "Mickey" Forshay, Anita, Ia., immediate past president.

The stark contrast between the two men impressed every onlooker. Mr. Neale died in his eighties, after a long career and a happy old age during which he enjoyed the respect of the entire insurance fraternity. Ironically, he was no longer a member of the National association at the time of his death, not through his own choice, but because his state association seceded in 1939. Mr. Forshay was only 40 years old when he died suddenly last winter and very few of the present National association leaders will ever believe that his devotion and over-work during his term of office did not contribute materially to his untimely death.

C. Stanley Stults, Hightstown, N. J.,

Pennsylvania Official Administers Oath

Insurance Commissioner Gregg L. Neel of Pennsylvania was selected this year to administer the oath to the newly elected officers of the National Association of Insurance Agents. He was accompanied to the convention by Deputy Ralph H. Alexander, former Pittsburgh agent. Mr. Neel has already appeared before insurance gatherings and has impressed all with his desire to administer his office with fairness. He has met many insurance men personally.

who had served on the executive committee with Mr. Forshay, read "Mickey's" memorial, and his voice broke several times. W. B. Calhoun, Milwaukee, past National president, read the memorial to Mr. Neale.

Claude Minor, new president Virginia F. & M., was buttressed by W. Owen Wilson. Each contended the other paid all expenses.

Cruger T. Smith of Dallas, who has been incapacitated for some months due to a heart attack, attended the convention having swung back into form.



The Agent is the contact—
between company and the public—through his efforts public opinion is formed—without complete knowledge of the business—without constant selling effort there can be no public opinion. The Agent is paid for this effort—for the preservation of the American Agency System take honest measure of the lack of public opinion of the fire and casualty business and—**Act Accordingly**



Will Wrightman
FIELD CORRESPONDENT

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... SPEAKING OF SERVICE

JOE M. CARDEN
ATTORNEY-AT-LAW
LAFOLLETTE, TENN.
August 9, 1943

Coal Operators Casualty Company
Oliver Building
Pittsburg, Pennsylvania

In re: Etna Coal & Coke Company
LaFollette, Tennessee

Gentlemen:

As you are aware, the settlements of the claims of the dependents of the ten employees of this company who were killed and of the two employees who were injured as a result of the explosion which occurred at the mine of Etna Coal & Coke Company on May 5, 1943, were finally settled and approved by the Judge of our Circuit Court on July 31, 1943.

As Attorney for Etna Coal & Coke Company, I desire to express to you my appreciation for the splendid cooperation of your Company in the settlement of these claims, under your "Workmen's Compensation Specific Excess Loss Contract", which you had heretofore issued to my client. In view of the manner in which this company was operating, with reference to the workmen's Compensation Law of the State of Tennessee, at the time of the explosion, I am frank to say that had your company been inclined to deny liability under the terms of this contract, it would have been extremely difficult, if at all possible, to compel it to pay its part of the loss incurred, which part amounted to \$33,876.04, Etna Coal & Coke Company paying \$10,000.00 of said loss of \$44,876.04. In fact, your company acted with unusual generosity and went further than any insurance company with which I have had experience.

Throughout the entire negotiations, in the settlement of these claims, your company seemed to try to find a "way in" instead of a "way out" of paying these claims. Your desire to be more than fair has made it a pleasure for me to represent my client in the settlement of these cases.

Yours very truly,

Joe M. Carden
Joe M. Carden

JMC/w



COAL OPERATORS CASUALTY COMPANY

HOME OFFICE

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Fetzer Awarded Woodworth Trophy at Annual Banquet

At the annual banquet of the National Association of Insurance Agents Tuesday evening, the presentation of awards was made. The Sparlin cup, awarded to the state association which has rendered



WADE FETZER, JR.

the most signal service to the American agency system, during the fiscal year, was captured by New Jersey, with Virginia as runner-up.

The Connecticut association membership cup made its initial appearance at this meeting. It was awarded to the state association which during the last fiscal year has achieved the highest total of points on the basis of percentage increase, numerical increase, local board strength, low turnover, and general membership and local board development. It went to Alabama, with a membership gain of 53%. Nebraska was second with 31% and Oregon third, with 19%. There were seven states that entered the field. Indiana made a gain of 119, California, 104 and Alabama 87. The state showing the lowest percentage of eligible members dropped was California, 1½%, Indiana, 3.6%, Alabama 4.75%. Oregon led in the number of co-extensive local boards. Indiana was second and Illinois third. Indiana led in general membership and local board development.

The Woodworth Memorial, awarded to the member who has performed the most outstanding work for insurance

Casualty Men Gather

The National Association of Casualty & Surety Agents is not holding any convention for the duration, but a large number of its prominent members were at the meeting of the National Association of Insurance Agents in Pittsburgh. On Tuesday afternoon the executive committee, of which W. D. O'Gorman of Newark is chairman, met and discussed several matters of interest. That night the group held a dinner with about 25 present with President Lew H. Webb, Chicago, in the chair.

Ludolph Anniversary Recognized

F. F. Ludolph, secretary San Antonio board, who for years has been a standing attraction at National Association of Insurance Agents conventions, providing piano accompaniment for W. B. Calhoun's song leading, was singled out for honor by President North at the opening session. It is Mr. Ludolph's 30th year as San Antonio secretary and the short member of the famous "Mutt and Jeff" team was given a rousing hand. Mr. North also expressed public regret at Mr. Ludolph's inability to be at the Tulsa mid-year meeting of the state directors, because of a serious illness at the time.

during the year, was awarded to Wade Fetzer, Jr., Chicago, vice-president W. A. Alexander & Co. for his remarkable work along educational and public relations lines. He is regarded as a pioneer in promoting the educational program of the association.

President David A. North presided at the banquet. Greetings were received from the National Association of Insurance Commissioners, its president, C. F. J. Harrington of Massachusetts, being present to participate in the program. Insurance Commissioner G. L. Neel of Pennsylvania spoke, as did Ray Evans, Bluefield, president West Virginia Association of Insurance Agents, well known wit and celebrated after dinner speaker. Past presidents and distinguished guests were seated at the head table.

Cincinnati Group at Pittsburgh Arouses Much Speculation

PITTSBURGH—Presence of Cincinnati men at the National Association of Insurance Agents convention has ceased to be surprising, as one or two representatives of the Cincinnati Fire Underwriters Association have attended ever since the Ohio Association of Insurance Agents withdrew from the National association in 1939. This year, however, the size of the Cincinnati group and the prestige of the members attracted considerable attention and caused much speculation.

Ohio Relations Strained

Gustav May, president Cincinnati board, and J. F. Schweer, secretary, headed the group, accompanied by West Shell, past president, W. A. Earls, past president of both the Cincinnati board and the Ohio association, and his son,



Russell Carson, New York national state director, Glens Falls; C. S. Stults, Hightstown, N. J., and C. F. Liscomb, Duluth, past president, are shown above at the N.A.I.A. convention in Pittsburgh.

T. W. Earls, member of the Cincinnati board governing committee.

Recently the Cincinnati board governing committee announced that a majority of its members would not pay their dues to the Ohio association on Sept. 1, and it is assumed that the bulk of Cincinnati agents followed this example. The Cincinnati men are convinced that the present leadership of the Ohio association does not intend to rejoin the National association, despite a money-raising campaign last spring with this as one of the objectives. It would not surprise observers if advances were made with a view to permitting Cincinnati agents to join the National association on some individual basis. So far, the National association has not favored any such move, preferring to preserve the unity of state associations. Many Cincinnati agents, however, have become convinced that all parties have waited long enough and that hopes of group Ohio action are futile.

Undoubtedly, nothing will be done officially until the Ohio association

holds its annual meeting at Columbus Oct. 25-26 and its members have a chance to bring up openly the question of reaffiliation. The Cincinnati board is not and never has been coextensive with either the state or the National association, so there is no question of action by the board as a unit.

Large Cincinnati Contingent

Cincinnati is, of course, more convenient to Pittsburgh than to some of the cities where other recent meetings of the National association have been held, but this coincidence was not a satisfactory explanation to many of the Cincinnati delegation's size and prominence. During the past year the Cincinnati board has also arranged with Educational Director George W. Scott to give the National association courses in Cincinnati.

Vice-president Fred Moreton announced at the first session that the public relations fund had reached \$315,483.

George W. Unverzagt, Pres.
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Seen at Pittsburgh: Wade Fetzer, Jr., Chicago; Payne H. Midyette, Tallahassee, Fla., past N.A.I.A. president; L. C. Hilgemann, Milwaukee; George Scott, educational director N.A.I.A., and L. P. McCord, Jacksonville, Fla., chairman educational committee.

Anti-Trust Action Would Rob Assured

(CONTINUED FROM PAGE 20)

by prohibiting all cooperative action, are not concerned primarily with the solvency of the companies. Whether fire insurance companies offer their goods and services at prices which lead them to bankruptcy is of no concern to the federal anti-trust laws. These laws are designed to protect the public against monopoly practice. Unlike state regulatory laws, they have no policyholder interest in company solvency.

"You can readily see that utter chaos will result if the federal anti-trust laws are now held to apply to fire insurance. If the business complied with federal anti-trust laws, it could not comply with the state laws. If the business complied with the state laws, it would violate the federal laws. No fire insurance company or fire insurance agent would know what to do and the public would be the sufferers from the resulting confusion.

Questions Motives of Government

"It is because of these easily foreseeable consequences that one can scarcely escape inquiring why this attack on our business is being made. Is this attack part and parcel of an effort to extend federal bureaucracy to every form of large-scale American business? Is it intended deliberately to create such chaotic conditions in the insurance business as would support a spurious demand for federal regulations that would otherwise be neither necessary nor desirable?

"There is a clear threat in this situation to the rights of the states, to the will of Congress and to the orderly conduct of the insurance business."

Mr. Thomas urged the agents to support the present bills in Congress affirming the intent of the legislative body that insurance shall not be under the anti-trust laws. He called this a grand opportunity for agents and companies to unite on matters of common interest.

Boosts Public Relations Work

On the public relations program of the National Association, Mr. Thomas said:

"I believe I can speak for all of us in the companies when I say that we have watched with enthusiasm your progress in enlisting the support of agents throughout the country in the wholesome program which you projected earlier this year. I congratulate your leaders on the conception of that program and on their success in advancing it so far and so quickly. And I congratulate your membership on their good judgment in responding as they have to your proposals.

"Your program is founded on some fundamental principles that are supported by most, if not all, of the capital stock fire insurance companies: First, that the American agency system is an essential, important and integral part of our business; Second, that the agents as

producers as well as in their services to those insured contribute materially to the growth and success of our business; Third, that you may confidently expect the continuing reliance of the companies on the agents in their job of delivering to the public the companies' promises to pay the losses against which it is insured.

"There are, of course, obligations and responsibilities to be discharged by the agents, and I hasten to add that your program, as I see it, contemplates that you and your organization, the National Association of Insurance Agents, will continually strive to do the best job you can, and wherever possible, to expand and improve your practices and methods to serve better the public's insurance needs. So long as this is true—so long as the agents continue to keep pace with America's industrial and commercial progress and with the increasing needs and changing demands of the insurance-buying public, you need have no fear of your position in the insurance business."

Fidelity Line Gets Big Lift

(CONTINUED FROM PAGE 28)

field than there is the bonding field; and this is likewise true of the bakery business and the clothing business and every other business. The real issue is not a saving of a few pennies in premiums, but it is the issue of bureaucratic collectivism versus private enterprise.

"We who realize better than any one else what is going on, must exert every effort to acquaint the public with the true consequences of such a move. It is not sufficient that we sit back and merely make a lot of noise. What is necessary to be done on our part is to thoroughly acquaint the public with the utility of our services by persuading the public to a greater use of those services.

Protect Market by Selling It

"Preservation of our business will not be accomplished by order taking. Every line of insurance has tremendous unsold markets. The way to protect that market is to sell it—sell the individuals on the value of your service and the soundness and efficiency of your company. Having done this, no political platitudes can breach these ramparts.

"It behooves all of us to plan now for the future and to plan as though we were certain that it will be quite as bright as the optimists predict. In the not too distant future, we shall have nearly 12,000,000 men suddenly returning to civilian status. They will need new clothes, new jobs, new homes, new motor cars—perhaps new airplanes. All of these things mean that everyone will need more insurance. Indeed, I am con-

fident that the experience of the war itself will teach a very substantial percentage of our soldiers the value of insurance coverage.

"Great as the use of the fidelity bond has been in the past, this field still offers the greatest potential to the insurance producer. Various estimates have been made of the annual loss to national business resulting from dishonesty. These estimates have varied from \$200,000,000 to \$400,000,000. In spite of their valuable loss prevention service, the aggregate payment by all surety companies, in 1942, on fidelity lines was slightly in excess of 11 million. It is quite evident from these figures that even assuming the most conservative estimate, fidelity bonds cover but a shockingly small fraction of our total annual losses. Here, indeed, is a market crying for your service.

"So I look to the future through rose colored glasses. My fear is that our business, in its natural conservatism, will fail to seize the opportunities that are waiting and calling. My faith turns to you, the producers in the field, the men who have their hands firmly on the pulse of the consuming public, and I know that if you share the optimism I feel, we shall indeed go forward. And in the progress which I believe we are to enjoy in the not too distant future, I see an ever growing field of opportunity for fidelity and surety bonds."

Miss Alice Henry, daughter of the late J. W. Henry of Pittsburgh, assisted at the information desk. She is operating the J. W. Henry Insurance Agency as her brother J. W. Henry, Jr., is in war service at Cincinnati.

General Agents to Give \$10,000 for Public Relations

The American Association of Insurance General Agents held a meeting in Pittsburgh during the Convention of the National Association of Insurance Agents, and arranged to raise a fund to contribute to the public relations work of the N.A.I.A. There were present President S. Lewis Johnson, Charleston, S. C.; Vice-president T. G. Linnell, Minneapolis; Secretary H. C. Stebbins, Denver; Executive Committee Chairman Frank Pelletier, San Francisco; W. L. Braerton, Denver; F. R. Lanagan, Denver; G. E. Edmondson, Tampa; B. P. Carter, Richmond, Va.; Stuart Scruggs, Dallas; J. K. Shepherd, Little Rock; M. M. Spradlin, Tampa; Phil Richards, San Francisco; Frank Parkhurst, Wilkes-Barre, Pa., and Paul Johnston, Wheeling.

Mr. Johnson was introduced at the Tuesday morning session of the N.A.I.A. and announced that the general agents' group would contribute over \$10,000 to the public relations fund. President David A. North of N.A.I.A. said this would make the total fund over \$322,000.

B. P. Carter, Richmond, Va., well known general agent attended the N.A.I.A. convention for the first time in several years. He hobnobbed with the American Association of Insurance General Agents people attending its conference.



He Has Personal Accident Insurance!"

IN 1942 accidents killed 93,000 people—injured 9,200,000 more! This tragic loss—97% of it preventable—cost the nation over five billions of dollars and 380 million man-days of work.

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THE WESTERN DEPARTMENT MANAGERS whose names appear on this page believe in and endorse the principles of the American Agency System and represent companies that, of course, offer only sound stock company protection. Through their close contact with agents they offer their facilities and services in the proper conduct of the business, and through this medium send greetings to the National Association of Insurance Agents.

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Committee Reports Constructive

(CONTINUED FROM PAGE 22)

tioning is one of the things that has awakened the public to the importance of protecting against waste he said.

Losses in dollars and cents have risen during the war, but when these are compared with the tremendously increased amounts of property at risk, it is obvious that fire prevention efforts have accomplished a great deal. Yet, he said, preventable fire losses are still too large in number and in amount. The job is only partly done. It is essential to continue efforts to prevent fires from starting, especially in critical areas.

The spectacular fire at Fall River and the burning of the "Normandie" focused public attention on the need for prevention; the clean-up campaigns of the Office of Civilian Defense have reduced the chances of fire loss and given practice in fire prevention procedure, and the rural area prevention movement should do much good, he said.

Agents Can Keep Program Going

After the war the public will lose much of its present enthusiasm, Mr. Mann predicted. However, he said, agents can keep the public awake and fire prevention efforts going. Mr. Mann pointed to the work of agents in helping the inspections of unallocated plants. Agents have been interested in the reorganization of the fire watchers program of the OCD, now known as the "Fire Guard." A strong effort is being made to influence agents to take the lead in this work, to supervise its organization and to train its members. A number of agents now are prominently engaged in that program.

Recently the War Production Board emphasized the adoption of a school inspection program so as to avoid use of critical war materials in rehabilitating school buildings lost by fire. A regular checkup of fire hazards was recommended, and a school self inspection blank drawn up by the National Board has been made available and widely distributed throughout the country. Agents are taking an active interest in this program, he said.

Rolien Reports for Rural Agents

The rural agents committee has devoted its principal efforts the past year to making the U. S. Department of Agriculture's rural fire control project effective. Guy E. Rolien of Milaca, Minn., said in his report as chairman. One of the big tasks of the committee as time goes on will be to continue this work, he said.

Mr. Rolien commended adoption of the 80-20 automobile collision form. The new farm liability program recently inaugurated is a splendid thing for the rural agents, he said. Previous committees have worked valiantly for this program.

Victor G. Henry of Wichita, Kan.,

chairman of the accident prevention committee of the National Association of Insurance Agents, in presenting his report said that during wartime the program adopted by the committee has



VICTOR G. HENRY

stressed, first, safety for the industrial worker while on and off the job; second, automobile and pedestrian safety with special emphasis on the prevention of such accidents in defense areas; third, efforts have been made to emphasize high school driver education, both prerequisite training for army selectees, and to institute such courses for the training of good driving habits of boys and girls who will be drivers of the post war period.

The necessity for increasing agency efforts in the months to come, Chairman Henry said, is obvious. One of the greatest contributions to the war effort is in the prevention of off-the-job accidents. Such kill and injure more work-

ers than do those which occur on the job. These resulted in the death of 29,000 workers in 1942 as against 18,500 while at work. Of the 4,100,000 non-fatal accidents, 2,350,000 occurred while off the job. These injuries contribute greatly to the problem of absenteeism in war plants. The report further said:

"Many states now have automobile driver courses in their high schools. The government is urging the adoption of these courses in the schools as pre-induction training of boys who may be enlisted to drive army vehicles. It is, therefore, a patriotic duty to help secure these courses in the states which do not have them. The love of life, and the desire to prolong it as much as possible, have been marked in our modern philosophy, and we are appealing to our membership to support our effort to conserve lives. Our association has taken an active part in safety work through many years, and the increasing accident record in the present war emergency demands an intensification of effort by state associations, local boards and every individual agent."

Identify Public Service in Rate

(CONTINUED FROM PAGE 26)

experience of the Pennsylvania Compensation Rating & Inspection Bureau which has promulgated compensation rates since 1916. Losses developed over those years have been so close to the pure loss costs as contemplated in the original rates as to prove beyond doubt that rates can be made correctly, fairly and honestly under independent rating bureaus subject to competent supervision by the insurance commissioner, he declared. Such rates can be justified on the basis of a fair return to the insurance public in money paid back in claims and services.

"It is with rate regulations such as this that your industry must justify its insistence upon competition in service rather than in rate," he declared. He warned companies against inconsistency. He said the insurance people could not

Penna. Manager



FRANK D. MOSES, Harrisburg

Frank D. Moses, secretary and manager of the Pennsylvania Association of Insurance Agents, was a busy man. The Pennsylvania association was having its annual meeting and was state host to the national body. Mr. Moses needed to be in seven places at the same time.

Beck at Speakers' Table

Lester F. Beck, Washington, chief of the Navy insurance division, was at the speakers' table at the dinner of the National Association of Insurance Agents Tuesday night and was introduced. Mr. Beck was in Pittsburgh on Navy business.

defend rating bureaus with regulated rates against an attack on fire companies in three spots while they indulge in uncontrolled competition and rates in other lines.



LOOKING FORWARD!

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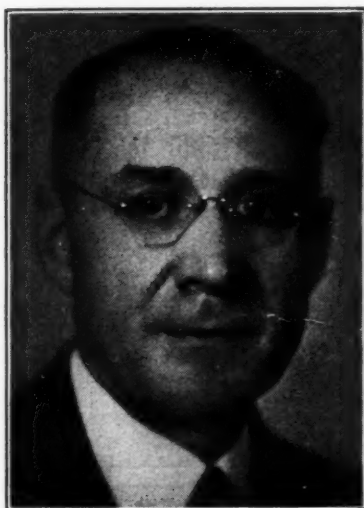


WAR BONDS

Otstot and Moses New Officers of Secretaries' Group

Johnson Reelected Editor, Dinner Crowd Sets New Attendance Record

S. G. Otstot, Raleigh, executive secretary of North Carolina association, was elected chairman of the Association Executives Conference, composed of paid secretaries and managers of local boards and state associations, at the meeting of this group during the convention of the



S. G. OTSTOT

National Association of Insurance Agents at Pittsburgh.

F. D. Moses, Harrisburg, manager Pennsylvania association, is the new secretary, and Alfonso Johnson, manager Dallas board, was reelected public relations director and editor of the house organ. The new officers succeed W. O. Hildebrand, Lansing, secretary-manager Michigan association, and Mrs. Lillian L. Herring, Chicago, secretary Illinois association.

Broughton, Schaffler at Dinner

The dinner of the secretaries' group Sunday night drew over 75, the largest attendance in history. The majority of states were represented and practically every secretary was accompanied by one or more officers of his association. Mr. Johnson gave his report and the featured speaker was H. K. Schaffler of the National Board, whose talk is reported elsewhere in THE NATIONAL UNDERWRITER.

Averell Broughton, New York, public relations director of the National association, spoke briefly, telling the secretaries that they will be important key men in the public relations campaign and hoping that the plan will enable

them to do their difficult jobs better and with less opposition. L. A. Grier, Spartanburg, S. C., chairman of the National association public relations committee, introduced Mr. Broughton and thanked the secretaries for their outstanding work in putting over the drive for public relations funds. Without them, he said, the drive never would have had a chance of succeeding.

Discussion on Membership

There was considerable open discussion on methods of getting new members and particularly stabilizing the membership. Mr. Hildebrand pointed out that every time a member is lost by resignation or dropped for non-payment of dues, one more new member must be found to replace him before the association shows a gain. Mr. Otstot was hailed as having the most stable organization and having a North Carolina membership at the point where there are practically no more eligible prospects. He strongly urged the establishment of a co-extensive membership with local, state and National associations, plus the rigidly enforced "in or out" rule, as the best way to stabilize membership. There was some discussion about the legality of "in or out" rules in some states.

Mr. Hildebrand thanked Miss Bessie Snyder, secretary Pittsburgh board, for her work in staging the dinner so successfully.

Making Personal Account Profitable Is Discussed

(CONTINUED FROM PAGE 21)

"We have very little of anything except a multiplicity of insurance agents and many naval officers. The naval officers are not good insurance customers for the agents. They have their own mutual auto company which writes about 50% off manual and which also writes household furniture."

Must Organize Work

In general the agent should organize his work so that he can be out of the office whenever necessary and not be tied down by routine, and his office routine, accounting procedure, etc., should be so arranged that he can have figures at his fingertips.

An analysis of his own business showed, Mr. Lazenby said, that at the end of 1941 his chargeoff of bad debts was .3 of 1%, at the end of 1942 .1 of 1%, and as of September, 1943, .4 of 1%. In 1941 his accounts receivable averaged 50 days, in 1942 about 45 days, and so far in 1943 he has less than one average month's sales outstanding.

Mr. Lazenby has established an adequate reserve for delinquent account. While he normally charges off only a small amount each year, he said, he realizes it is possible that the bankruptcy of some large account can occur, and the cushion should be adequate for such an emergency.

Although the average commission paid to the smaller agent is around 20%, after expenses this is cut to around 10%. Consequently, he said, to offset a loss of \$100 in bad accounts, the agent has to sell premiums equalling \$1,000. Mr. Lazenby has a well designed collection system. It is simple, and he has used the same system, and much the same letters, over and over again for a number of years. Whenever a policy or

endorsement is issued a bill is rendered and delivered with the policy. One copy of the bill goes into the expiration record and the other into a receivable file. This sheet also receives the posting from the cash book. When he works on his receivable ledger, he has a record of each policy as well as an accounting record.

Approach to Delinquent Accounts

On the 28th or 29th of each month he takes his accounts receivable ledger and reviews each account. It is neither profitable nor proper to have set rules for handling these accounts. He knows his assured and approaches each delin-

quent account accordingly. The first month after the policy is delivered he sends a statement; the second month he writes a letter that states: "We want to thank you for your insurance which we wrote for you in August, and to assure you again that we appreciate this business. The fact that the premium has not been paid might indicate that there was a question about the policy, and if this is the case won't you please call us so that the trouble can be rectified? If everything is satisfactory with the policy, won't you please either let us have your remittance or tell us when we may look for it."

(CONTINUED ON PAGE 37)

FEDERAL INSURANCE COMPANY

Semi-Annual Statement, June 30, 1943

Cash in Banks	\$ 3,557,669.12
United States Government Bonds	7,558,003.50
All other Bonds	1,942,437.03
Preferred and Guaranteed Stocks	3,436,796.00
Vigilant Insurance Company Stock	3,140,842.31
Other Common Stocks	6,661,077.51
Premiums not overdue	2,199,545.26
Other Assets	240,785.11
Total	\$28,737,155.84
Reinsurance balances payable	2,717,725.27
Total admitted assets	\$26,019,430.57
Reserves for:	
Losses	\$ 2,983,450.00
Unearned premiums	3,556,224.16
Other liabilities	928,891.51
Security fluctuation	729,319.90
Total liabilities	\$ 8,197,885.57
Capital	\$ 4,000,000.00
Surplus	13,821,545.00
Total	\$26,019,430.57

Assets are valued in accordance with requirements of New York State Insurance Department. Securities carried at \$540,605. in the above statement are deposited with public authorities as required by law.

CHUBB & SON, Managers

INSURANCE OF MARINE, TRANSPORTATION, FIRE, AUTOMOBILE, JEWELRY, FINE ARTS AND OTHER PROPERTIES AND RISKS.

90 JOHN STREET, NEW YORK

AND

CHICAGO - ATLANTA - MONTREAL - JERSEY CITY

Represented by Agents and Brokers throughout the Country

AMERICAN INDEMNITY COMPANY

Capital \$1,000,000.00

GALVESTON

Texas' Oldest Stock Company

**AUTOMOBILE • FIRE • TORNADO • BONDS • BURGLARY • PLATE GLASS
GENERAL LIABILITY**

J. F. SEINSHEIMER, President

C. S. KUHN, Vice President and Secretary

CONOVER HARTIN, Treasurer



A contingent of North Carolinians at the N.A.I.A. convention: Frank Wilkinson, Rocky Mount; S. G. Oistot, Raleigh; Thomas O'Berry, Goldsboro; Reginald Price, Charlotte, and Thomas H. Woodard, Wilson.

Program Is Being Put to Early Test

(CONTINUED FROM PAGE 24)

upon the attitude and practices of company management. Unless the management honestly works for the betterment of its agency plant and the establishment of only the best type of agent no law can work a miracle with the individuals that are selected. If the management of all companies concerns itself wholeheartedly with the solution of the problem recourse to law will be unnecessary. Problems relating to agent's qualification would then be a matter for discussion around the conference table.

Question of Countersignature

The question of countersignature on interstate business "becomes regularly the whipping post for other evils," he declared.

Countersignature is necessary, he declared, because the laws of most states require that insurance contracts covering property in those states must be countersigned by a resident licensed agent. To comply with the laws companies or general agents have appointed men, generally employees, to be licensed in the state in which they reside even though they did not customarily sell insurance to the public, thereby the law has been met when such persons countersign the policies. Other companies felt compelled to pursue the same practice so that the full payment of commission could be made to the originating agent.

Protective Legislation

Local agents in various states thereupon proceeded to sponsor laws to protect themselves from what they rightfully considered to be an evil, he said. As these laws began to develop and their constitutionality was upheld the insurance business was confronted with a confused situation, which had a bad public effect. Thereupon an agreement was reached between casualty insurers and the N.A.I.A. for a working arrangement which would preclude the necessity of passing restrictive state laws. This agreement, according to Mr. North, has worked reasonably well and meets most of the practical difficulties which arose at its inception.

Public Is Loser

However, originating producers take the position that the public is a substantial loser because of the payment of countersignature fees. Such fees, they contend, should not be paid unless the countersigner performs some outstanding and identifiable service.

"Where," Mr. North asked, "would the public derive any benefit, under this present system, if the sales and service portion of that rate were wholly retained in one agency, and not divided with that person legally charged to execute the contract, and morally ob-

liged to render any and all necessary service in time of need in the name of both his company and the originating producer?" He asked whether opponents of countersignature fees contemplate reductions in premiums and elimination of potential service to the assured at the point of risk.

Not a Public Issue

Mr. North expressed the belief that the dispute over countersignature fees is not a public issue and is not one for state legislation. It is a phase of the public relations program that deals with good relations between various parts of the business. By proper dealing between honorable men, by the free use of private contracts and by frequent use of the conference table these unpleasant situations can be avoided, he said.

Decries Tendency

Mr. North decried the tendency which he said he discerns, to refer to agents as producers. He said the members should cling to the designation of agents because that implies that they are agents of the company in a given territory, and for the obligation which that entails they are compensated by an agent's commission. If a man is to be a producer only then he should relinquish his agency contracts, serve only the buyer, affiliate with the brokers' organization and receive as income only that portion of the commission which is a production or brokerage fee.

Allegiance to Public and Insurer

If a man is to be an agent only then he should remain in his office, underwrite and accept on behalf of the companies the business which comes to him from brokers, issue policies and otherwise generally supervise the territory. Members of the N.A.I.A. are both agent and producer. They have an allegiance to both the public and the company. They are bound to their customers by the ethics of the profession and the customs of trade and are bound to the companies by contractual relationship. There is no conflict, he said, in this dual representation. The system will continue to grow and prosper as long as each agent recognizes all of the responsibilities and duties which the dual relationship implies. It will fail if the agents become producers only and ignore the duties imposed upon them by a contract and for which they are being paid. Likewise they shall fail if they do not produce business for the companies and provide the right kind of service to customers for which they are also paid.

The companies should remember, he said, that the agents are by contract tied to them in much closer fashion than they would be if they were but producers.

Mr. North said that frequently some



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FORTY-EIGHT YEARS OF
CONSCIENTIOUS CO-OPERATION WITH
AGENTS NATION-WIDE
•

HOME OFFICE:
60 John Street, New York

Through Eighty-Nine Years —

—through the disasters of conflagration and hurricane
—through years of financial depression
—through wars, Civil, National and World-wide
—since 1854 — eighty-eight years ago — the
United States Branch of

THE Northern Assurance Co.

has pursued the even tenor of its way. Conducting a conservative, sound, fire insurance business; paying its losses, large and small, equitably and promptly; equipped today, better than ever, to "carry on", as the strong Agency Company it has always been.



The NORTHERN Assurance Company, Ltd.

135 WILLIAM ST.
NEW YORK



BOSTON
CHICAGO
SAN FRANCISCO



Snapped at Pittsburgh: Harry J. Erdman, vice-president Connecticut Indemnity; Allan I. Wolff, Chicago, past N.A.I.A. president; J. J. Hubbell, western manager of Security of Connecticut, Chicago, and Milton W. Mays, director of the B.D.O.

state or local association will precipitately raise some issue that is of national significance without seeking to discover whether it is a question that has already been studied from a national standpoint. Sometimes national attention is being given to the problem that is stirred up locally and frequently it is a question upon which a great deal more evidence has been adduced than the local association possesses and a fuller understanding of it is possessed at headquarters. He urged that such matters be referred to the national organization rather than for the local group "to jump into the fight with both arms swinging."

Mr. North declared that there is no service which the industry must render immediately after the war is over that is more important than that in the field of aviation insurance. Regulation of aviation, he predicted, will become federalized and there is the danger that under federal supervision insurance will become a target for those who seek to strive for federalized control. The insurance industry must demonstrate that it can provide the capacity for the risk, service and facilities and ease for interstate operations. Unless insurance is made available on a basis that is in harmony with post-war aviation requirements the door will be closed to a type of business which insurance is big enough to handle alone. He urged that aviation insurance committees be created in the production and servicing ends of the business and in the underwriting and rating divisions. There must be advance planning of complete reinsurance facilities and the probable insurance service requirements of aviation must be anticipated. Insurance should be identified with the leaders of the country and not the followers.

Mr. North expressed the belief that American business is entering a period that will be known as the revival of American free enterprise. Business men

are becoming engaged in public affairs and are acquiring a social consciousness. They are giving more attention to the welfare of community and government. In the past, business men tended to concentrate upon business management alone. Theorists who were opposed to free enterprise began to get their propaganda across, but business men are now hitting back in the public forum and are assuming a leadership in the administrative and legislative functions of government. The public relations program of the agents' association is in line with that development. The insurance agents through this program will move side by side with American business into a rightful place of leadership in the preservation of American free enterprise and American government, he predicted.

Prominent Woman Agent

One of the interested delegates was Miss Mildred Lamert, who conducts an agency at Atwater, O., near Akron. She served as recording secretary of the National Association of Insurance Women. She is president of the Akron Insurance Women. Miss Lamert is also secretary of the Ravenna (O.) Ordnance Plant.

Ex-president Fred J. Cox of Perth Amboy, N. J., who served two terms, 1919 and 1920, well known as the fighting president, arrived Monday too late for the past presidents dinner.

Three Grand Nest officers of the Blue Goose were present, P. M. Winchester, Fire Companies Adjustment Bureau, New York; T. G. Linnell, Minneapolis general agent and G. E. Edmondson, Tampa, Fla., general agent.

Commissioner C. F. J. Harrington of Massachusetts, president National Association of Insurance Commissioners, shared a room with Deputy Ralph H. Alexander of Pennsylvania.

Branch Offices Are Still a Perplexing Problem

The branch office committee headed by W. S. Keese, Chattanooga, heard comments from a number of delegates. The New York City Insurance Agents Association resigned from the National body. It has some 33 members. Its grievance was that the National association had not taken sufficiently positive stand against branch offices. It was stated that it desired a "white list" prepared consisting of companies that agreed to follow the National association pattern but those present were not in favor of such a step.

Improvement in Some Quarters

The general opinion prevailed that in New York City, Philadelphia, Chicago particularly there are branch office offenses but in some cases there is improvement due to local board activities. There is no objection to strictly service offices where no business is written. The opposition is to those production branch offices which compete with local agents. They pay the same commissions to brokers that agents receive.

The committee hoped to induce companies to operate branch offices on a strictly parity basis so that the branches would have no preferential advantage. There was belief expressed that the objective should be to stop the increase of the branch office system. In New York City it was stated the New York Fire Insurance Exchange is policing the fire business and the Acquisition Cost Conference the casualty and surety line in that city. Where there is a policing system that calls for auditing and analyzing the books of branches and agents violations can be discovered.

In some cities, most of the offices are hybrid, that is they are agents obtaining direct business and also they are brokers, which complicates the situation.

Major W. Eugene Harrington, former president and member of the agency of Spratlin, Thomas & Harrington of Atlanta, shook hands with old friends for a couple of days. He is now connected with the renegotiation department at Washington, D. C.



Progress with

PARAMOUNT

The company as new as tomorrow... with facilities for fire and allied lines to which have been added Automobile and Inland Marine coverages for the convenience of its aggressive agency force in placing business.

**Globe and Rutgers
Fire Insurance Company**

**American Home
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111 WILLIAM ST.



NEW YORK

PARAMOUNT FIRE INSURANCE COMPANY

91 WILLIAM STREET, NEW YORK



Mrs. David A. North, New Haven; Fred A. Moreton, Salt Lake City; Mrs. Moreton, and Judge B. Miller of the N.A.I.A. headquarters staff, seen at the Pittsburgh convention.

Public Relations, Federal Problems

(CONTINUED FROM PAGE 19)

of the National Board of State Directors Sunday afternoon, there was very little time for rest or fun making.

One of the notable departures from convention traditions was holding the election on Tuesday morning, instead of at the final session. The state directors met in a closed session for nominations late Monday afternoon, and this was the sole business at that session.

Another innovation was the awarding of trophies at the banquet Tuesday night, where Wade Fetzer, Jr., Chicago, former member of the National executive committee, outstanding young leader in education, public relations and sales training work, was honored with the Woodworth Memorial, for the most outstanding service to insurance during the past year. These awards previously had also been made at the closing session.

Going by Saturday

The tendency toward the meeting starting earlier every year was continued, with the officers and executive committee meeting on Saturday and the directors on Sunday. The convention was going at a high clip by Monday morning, with committee meetings and territorial conferences. The meeting hall was well filled when President North, whose administration has won universal acclaim, called the first session to order Monday afternoon. W. B. Calhoun, Milwaukee, past National president, led the singing as usual, assisted by F. F. Ludolph, San Antonio. Dr. William Farmer, chaplain at Heinz Chapel, University of Pittsburgh, gave the invocation, and J. F. Morgan, Lewiston, president, Pennsylvania Association of Insurance Agents, and J. B. Ladley, president Pittsburgh board, brought greetings from their associations. Memorials for two past presidents, A. W. Neale, Cleveland, and R. W. Forshay, Anita, Iowa, were presented and adopted. Mr. Moreton, as vice-president, gave the report of the administration and Mr. North gave his presiden-

tial address. J. M. Thomas, Pittsburgh, president National Union and president National Board, gave the chief address of the day.

Tuesday was an exceptionally heavy day from the starting off with middle western territorial conference and then swinging into the loaded second convention session. Averell Broughton, New York, public relations counsel of the National association, discussed the public relations program. James W. Close, general counsel War Damage Corporation, was to have appeared at that time but his address was set over until Wednesday. Election of officers followed and then Milton W. Mays, New York, director Business Development Office, conducted the "pattern for production," which has become a popular fixture with the National association. The National Board of State Directors had an open meeting in the afternoon and the banquet was held that night.

At the first open meeting of the National Board of State Directors Curtis W. Pierce, New York, president Factory Insurance Association, made an excellent impression on the group with an explanation of the consolidation of the three factory insurance groups.

L. C. Hilgemann, Milwaukee, chairman of the National association's committee on this subject, read his report and introduced Mr. Pierce.

DPC Scheme for War Only

The consolidation of the three groups into one nation-wide unit was a necessity to keep pace with the progress of manufacturing. Mr. Pierce reminded the agents that the old F.I.A. and the Western Factory were founded over 50 years ago, when manufacturing plants were individually owned and business seldom crossed state lines. He promised that the agents would be consulted on all major matters of common interest and assured his audience that the three regional offices have complete independ-

ence in matters of acceptance of risks, engineering and loss adjustments.

An interesting and animated discussion followed Mr. Pierce's talk. Following a number of remarks and questions on the Defense Plant Corporation setup, Mr. Pierce said that he does not think there is any likelihood of such arrangements continuing after the war. The thought was expressed that the public and government officials should be shown that an agent's commission is not personal net income. President North said that this is precisely what is being aimed at in the public relations campaign.

N. J. Leader Recognized

H. A. Fauntz, Atlantic City, state director, took a bow for the fiftieth anniversary of the New Jersey association and distributed copies of his association's commemorative book.

Stuart Ragland, Richmond, Va., urged more aggressive action against promiscuous appointment of agents. After a prolonged discussion, the matter was

referred to the board's sub-committee on resolutions.

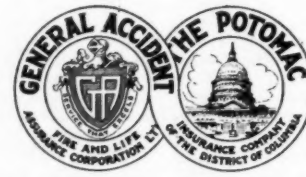
Frank R. Bell, Charleston, W. Va., proposed that the by-laws be amended to require geographical distribution of the executive committee members. Mr. North explained that, unlike the old larger committee, the present executive committee is an expediting body, policy-making being transferred to the board of directors. The board, by nomination and election, picks four of the seven members and the work of the committee could be badly hampered if the officers' choice were restricted. After debate, the board voted to table the matter for this year.

Rural Agents Group Holds Conference

(CONTINUED FROM PAGE 34)

a good step toward national uniformity in rates and credits.

Others who participated in the dis-



THE AGENCY SYSTEM is faced with problems unprecedented in the insurance business. With many agents and members of their organizations entering the armed forces of our country, there is a greater need for cooperation and friendly relations between agents and companies. The General Accident and Potomac organizations pledge the continuance of their efforts to maintain their friendly agency relationships which have contributed so much toward winning good will and building successful agencies.

GENERAL ACCIDENT
Fire and Life
Assurance
Corporation, Ltd.

POTOMAC INSURANCE
Company
of the District
of Columbia

GENERAL BUILDINGS, PHILADELPHIA



SCOTTISH UNION AND NATIONAL

Insurance Company

HARTFORD, CONNECTICUT

J. H. Vreeland, Manager

AMERICAN UNION

Insurance Company of New York

Administrative Offices: HARTFORD, CONNECTICUT



CENTRAL UNION

Insurance Company

Administrative Offices: HARTFORD, CONNECTICUT

● A complete portfolio of lines is written: Fire, Windstorm, Earthquake, Automobile, Sprinkler Leakage, Rents, Use and Occupancy, Inland Marine, and Riot and Civil Commotion.

cussion and made constructive suggestions were G. E. Clark, Lisbon, N. H.; E. D. Friday, Osceola, Ia.; D. W. Hershberger, Grantsville, Md.; Howard Armfield, Leesburg, Va.; James B. Racey, Clifton Forge, Va.; O. W. Acton, Salem, N. J.; A. J. Peters, Issaquah, Wash.; Ernest Cochrane, Fresno, Cal.; S. C. Barnes, Elizabethtown, N. J.; James Hackworth, Shelbyville, Ky., and Thos. G. Booton, Leeway, Va.

Constructive Work and Effort

(CONTINUED FROM PAGE 19)

sought his ear. He outlined the public relations pattern that has been tentatively drawn. The states are raising a substantial fund to finance this movement. Mr. Broughton urged a united front, where companies and agents march together and smother their differences. This is a major activity. It will lead to a militant and forceful Washington, D. C., office, which many members have preached. Even the present office has heretofore been tucked away and not permitted to peep, it merely carrying out unimportant commands. One entire session was to a large extent given over to a public relations forum with some prominent businessmen in other lines and Senator Byrd of Virginia on the platform. That in itself is indicative of this more modern step. The association is seeking the advice and suggestions of those who pay premiums—a most helpful, commendable and far sighted move.

Educational Development

The National association just in recent years decided that one of its main objectives was to educate and train the men who sell insurance so that they can render more expert service. They saw a day of insurance selling at their door, rather than insurance buying. Insurance needs must be scientifically and intelligently analyzed. The old hodge podge methods must be scuttled.

The National association now has a full fledged educational department supervised by Director Geo. W. Scott. It evolved a regular educational program with a well charted course of study. It was the prime factor in inaugurating the American Institute for Property & Liability Underwriters, which gives an offi-

cial designation to all who can successfully pass the examination.

It was natural that a goodly part of the program be given over to topics educational. There was enough of the very practical every day material to attract all classes. One session was committed to considering a "Pattern for Production," this being suggested by the Business Development Office. Then all Wednesday afternoon was assigned to agency operation and management taking as its theme "What the Insurance Buyer Expects of the Insurance Producer." This feature is not new as it was inaugurated some years ago but it is thought provoking and informative.

Controversial Subjects Buried

The old controversial subjects that incubated acrimony and bitterness, that bred class distinctions and presented angularities may have been discussed in executive sessions of the directors but the onlooker saw a new heaven and a new earth with storm, lightning, thunder and bitter wintry blasts banished to Tokio. It was a constructive, positive program. It put the National association on the offensive. Its purpose is to capture the good will of policyholders and public.

Every registrant received a card invitation to the U. S. Aviation Underwriters headquarters where J. R. Graham, production manager, and H. W. Talbot, agency director, met visitors.

Look at Future, Install Officers at Final Session

(CONTINUED FROM PAGE 19)

naford, St. Paul, over the second and H. F. "Speed" Warner, Kansas City, over the large agency forum.

The National Board of State Directors also meets in executive session Wednesday morning. Resolutions will be considered, as well as other matters which may have not have been covered to date.

James W. Close, Washington, general counsel War Damage Corporation, was unexpectedly added to the Wednesday program. He was scheduled for Tuesday morning, but was delayed at the last minute.

L. A. Grier, Spartanburg, S. C., chairman of the National Association's public relations committee, will preside at the forum and introduce the speakers. W. A. Robinson, vice-president,

New York "Herald-Tribune," will give the viewpoint of the press, Kenneth Spencer, New York, president, Globe Indemnity, will speak for the insurance business, J. S. Adams, New York, president Standard Brands, Inc., will represent business and Senator H. F. Byrd of Virginia will speak as a government official.

The advisory council of the Business Development Office, will hold its dinner Wednesday night. On Thursday morning, the National Board of State Directors will hold an executive session and the executive committee will meet Thursday afternoon.

Agency Regional Group Conferences Successful

(CONTINUED FROM PAGE 30)

Tuesday morning presided over by George W. Carter of Detroit a resolution was adopted on motion of L. C. Hilgemann, Milwaukee, approving the action of the companies in going to Congress in the effort to clarify the situation by backing bills seeking to exempt companies from the operations of the anti-trust laws. Unless the U. S. Supreme Court reaffirms Paul vs. Virginia cases the business will be in turmoil unless the bills are passed, said

Mr. Carter. The resolution gives assurance to companies of the unqualified backing of this conference.

A. J. Peters, Issaquah, president of the Washington Association of Insurance Agents, has joined the state's delegation to the Pittsburgh convention of the National association. At the last minute, Mr. Peters found he was able to attend. He will stop over in Iowa en route home to visit his mother. Other Washington agents in Pittsburgh are A. W. White, Seattle state national director, and Harold N. Mann, Tacoma, chairman of the National association's fire prevention committee.

Shell Battle Creek Head

Harry M. Shell has been elected president of the Battle Creek, Mich., association of Insurance Agents. Vice-president is John B. Deo, secretary, Ida M. Leach, and treasurer, Virgil B. Clingan.

The Port Huron, Mich., Association of Insurance Agents has elected as president, Fred W. Sovereign; vice-president, J. Grant Moore; secretary, Harold A. McMartin; chairman executive committee, Carl R. Walker.

A. S. Keys, Springfield, Illinois state director, is chairman of the resolutions committee.

Featured on Pittsburgh Program



H. F. WARNER

H. F. Warner of Speed Warner, Inc., Kansas City, Wednesday morning at Pittsburgh conducted the session on agency operation and management for agencies producing \$300,000 and over in annual premiums.



J. D. LAZENBY

Joseph D. Lazenby of Annapolis, Md., gave a talk on "Collecting on Personal Insurance Accounts" in the B.D.O. Pattern for Production feature Tuesday morning which proved to be very interesting.

Greetings to the NATIONAL ASSOCIATION of INSURANCE AGENTS

THE NATIONAL UNION FIRE INSURANCE COMPANY

JOHN M. THOMAS, President

PITTSBURGH, PA.

Schauffler, Johnson on Executive Card

(CONTINUED FROM PAGE 32)

ness have learned that two out of three people think fire rates either have increased or remained the same during the past generation; that seven out of 10 think their local agent renders no service beyond the selling of insurance and the settlement of claims; that only one in 20 believes his agent has ever given him any information about new



HARRY K. SCHAUFFLER

policies; that a large majority of people have no idea of the average profit to insurance companies, but actually believe it is around 20%, or more than seven times the true figure of less than 3%.

Major Problem of the Business

The major problems of the business thus exist in the minds of the people who either know little or nothing of insurance services or who have largely inaccurate conceptions of the way in which insurance operates, he said. The best way to overcome this situation is to tell the story of public service as effectively as possible to as many people as possible, which, he declared, is easier to state than to accomplish.

He suggested that each agent must build the local reputation of a man who knows his business, who has accurate facts and figures at his fingertips. It is not enough to understand coverages and rates. The agent must be able to present the fundamentals of insurance and intelligently discuss the background and nationwide ramifications of his business. Every question from the public regarding federal versus state regulation is a golden opportunity to build sound public relations and better public appreciation of both the business and its representatives if they can discuss it intelligently. Many agents are putting to

work the pamphlet gotten out by the National Board on insurance and the federal anti-trust laws. The National Board also has a concise folder which includes a chart showing how drastic the reduction in rate has actually been, "Declining Cost of Fire Insurance."

Experience of One Agency

One local agent in Massachusetts, Mr. Schauffler said, put this material to dramatic use. He took a small space in his local daily newspaper to offer a \$25 war bond to anyone who could name any other business or industry which has not raised its cost to the consumer since Pearl Harbor. Newspaper editors acted as judges. More than 800 entries were received.

Mr. Schauffler also commented on the National Board's brochure, "Ashes Make Poor Gun Powder"; the film, "Before the Alarm"; the new advertising campaign of the board; the board's suggested fire prevention ordinance, adopted in nearly 40 cities and towns from coast to coast, and other public relations items and ideas that articulate public relations in a definite, concrete way.

Alfonso Johnson's Address

Public relations work is a part of the routine of association executives, Alfonso Johnson, manager of the Dallas association and public relations director of the Association Executives Conference, said in his talk. Association secretaries have had a job of public relations work to do with local, state and national leaders, convincing them that the secretaries were entitled to confidence and respect.

The association secretary is the real spark that makes any association, Mr. Johnson said, with full appreciation and recognition of the absolute need of those insurance men, volunteer workers, who give so liberally of their time and energy to elevate the standards and improve the conditions of the American agency system. There is a very great need for strong state associations, and the association executives are doing a splendid work in articulating the national public relations program, he said.

Inland Marine Meeting

The inland committee met Monday morning with Hunter Brown, Pensacola, chairman, and G. W. Haerle, Portland, Ore., secretary. There was a discussion of recommendations in policy provisions and procedure. A company committee was present and it was decided to confer with its members, E. J. Perrin, Automobile; H. L. Wayne, secretary Inland Marine Underwriters Association; G. G. Quirk, Aetna Fire; S. W. Carey, Appleton & Cox. There was a discussion of the comprehensive property floater, all states except seven having approved it.

Many Souvenirs Are Presented to Conventioneers

America Fore got out its regular directory of those present at the N.A.I.A. convention. Frank Ennis, advertising manager, was in charge.

American of Newark gave all registrants a copy of the booklet "50 War Time Aids for Insurance Agents." It gave sales and planning ideas.

U. S. Fidelity & Guaranty presented special pencils.

American Casualty of Reading, Pa., through President H. G. Evans arranged for golf for any of the visitors.

Fidelity & Deposit and American Bonding gave out a war map of Asia and the world.

Ocean Accident gave "Battle Maps" covering all war fronts.

The souvenir of Commercial Union was a note book.

Springfield F. & M. came forth with its stamped "Covered Wagon" postal cards all ready for mailing.

Aetna Life furnished the "Aetna Tire Rotator" which shows what wheel each tire is on at all times.

The Fidelity & Deposit and the American Bonding again pleased the delegates by having a morning Pittsburgh paper placed under the door of every man.

The St. Paul F. & M. had the Chicago "Journal of Commerce" delivered to conventioneers.

F. F. Ludolph, San Antonio, secretary San Antonio Insurance Exchange, who missed the midyear meeting due to a serious operation, came back at this time in pristine glory, ready to play the piano at the first session when "Big Bill" Calhoun led in singing "America."

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LAWRENCE J. TILMAN, United States Manager

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MILWAUKEE
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SAN FRANCISCO
LOS ANGELES
PORTLAND
SEATTLE
VANCOUVER
MONTREAL
BOSTON
ST. LOUIS
WASHINGTON
LONDON

N.A.I.A. Memorial Fund for Forshay

PITTSBURGH—At the dinner of the National Association of Insurance Agents, President David A. North announced that the Forshay Memorial Fund, in honor of the late R. W. "Mickey" Forshay, immediate past president who died last winter, is being established. The purpose has not been finally decided, but the intent is to set up a lasting memorial to the popular president from Anita, Ia. Mr. North said that the fund is not sponsored by the National association as such or by any association, but only by personal friends of Mr. Forshay. Only friends are asked to contribute and the maximum solicited is \$10.

The men sponsoring the fund are C. F. Liscomb, Duluth; W. H. Menn, Los Angeles; A. I. Wolff, Chicago; S. O. Smith, Gainesville, Ga., all past presidents; C. V. Davis, Sheridan, Wyo.; Howard Bradshaw, Delphi, Ind.; W. R. Thomas, Pittsburgh, the new vice-president, and C. S. Stults, Hightstown, N. J.

N. C. Commissioner Strongly Upholds State Supervision

CHARLOTTE, N. C.—The right of states to supervise the operations of insurance companies was upheld by Commissioner Hodges of North Carolina in an address before a joint meeting here of representatives of all insurance lines in Charlotte.

Expressing approval of bills before Congress which would exempt all forms of insurance from the Sherman and Clayton acts and leave control of insurance to the states, Mr. Hodges declared that "because of the recognized effectiveness of state regulation and because of the very local nature of the business of insurance I am of the opinion that a continuance of the present method of regulation should remain as a state function."

W. H. Gaither, president of the Charlotte Life Underwriters Association, presided and Mr. Hodges was introduced by Joseph A. Carruth, representing the Stock Fire Insurance Club of Charlotte. The Charlotte Insurance Exchange, casualty and mutual agents organizations participated. J. F. Fletcher of Raleigh, manager of the Compensation Rating Bureau of North Carolina and the North Carolina Automobile Rate Administrative Office, attended.

North America War Stamp "Ads"

The North America has planned a campaign in national magazines stressing the importance of war stamps in the war effort. The advertising, which will be full-page 4-color insertions, will begin Oct. 23.

Grand Rapids C. P. C. U. Course

The Grand Rapids Agents Association and the University of Michigan are cooperating in offering at the newly opened extension service center, the educational program of the American Institute for Property and Liability Underwriters.

The course, Part I of the C.P.C.U. requirement, got under way Oct. 11 and will continue each Monday evening for 15 weeks. In January, Part II of the course will be offered for the second semester. R. E. Farrer, special agent of Home of New York, is the instructor.

Crabbe and Gray at Columbus

Superintendent Crabbe and State Senator T. M. Gray, executive secretary of the Ohio Association of Insurance Agents, gave talks Tuesday at a meeting of the Columbus Board. The board will assist in entertaining the delegates to the annual convention of the Ohio Association of Insurance Agents, which will be held in Columbus Oct. 25 and 26.

THREE CHAIRMEN AT TERRITORIAL CONFERENCES



GEORGE W. CARTER, Detroit
Midwest Conference



HERMAN J. HAAS, Atlanta
Southeastern Conference



G. W. HAERLE, Portland, Ore.
Far West Conference

Strong Endorsement Given Bailey-Van Nuys Bill

NEW YORK—Strong endorsement of the Bailey-Van Nuys bill, Senate 1362, was given by the directors of the New York Board of Trade. Letters from Floyd N. Dull, president of the board have been sent to members of Congress from New York, and to the judiciary committees of both the Senate and the House.

Burwell Leaves Mich. State Post for Law Practice

LANSING—Seth R. Burwell, head of the life and fraternal division of the Michigan department for the past two years and an employee of the department for some 11 years, is resigning. He is to become a partner of L. Frayne Richardson, who formerly was with the state public service commission. Mr. Burwell will specialize in various phases of insurance law. Their office is to be in the Olds Tower here.

Mr. Burwell was for a number of years head of the licensing division and was consultant on legal matters pertaining to all divisions during several commissioners' regimes.

New S. D. Countersigning Rule

Commissioner Burt of South Dakota has ruled that the agreement between the Association of Casualty & Surety Executives and the National Association of Insurance Agents does not conform with the South Dakota law and that he cannot approve it. At the same time he rescinded a 1937 ruling applying to out of state companies and ruled that all foreign fire, casualty and surety company policies must ultimately be effected through locally licensed agents and such agents must countersign all policies and bonding contracts and receive a fee for so doing, the fee not to be less than 5% to be paid when the premium is paid. The agreement between the N. A. I. A. and the executives association provides that in the absence of special agreements to the contrary the counter-signing commission shall be 5% on policies producing \$20 or more of earned commission, with maximum of \$50.

GIRL UNDERWRITER WANTED

Casualty Junior Underwriter. Small pleasant office. Phone Harr. 0937 for appointment. Chubb & Son, 175 W. Jackson Blvd., Chicago.

Good Fire Prevention Week Results Reported in Ind.

Charles W. Barger, state agent of Caledonian and chairman of the speakers' committee of the Indiana State Fire Prevention Association, reports unusually fine results during Fire Prevention week in Indiana. The 17 speakers from the association visited 65 Indiana towns, talked to 19,540 school children in 70 schools, and 1,673 adults at 28 service club gatherings.

Field men who took part in the work, making talks, included George R. Pritchett, American; James A. Bawden, Springfield F. & M.; A. H. Wishard, Northern, Eng.; W. H. Polsz, Sun; A. W. Schmadeke, Paramount; R. M. Hubbel, Globe & Rutgers; E. P. Ressler and E. H. Rossow, National; F. D. Payne and L. Ulrich, New York Underwriters; R. E. Coffin, Northwestern F. & M.; R. C. Meyer, Crum & Forster; R. L. DuBois, Mercantile; G. W. Mercier, Hanover; R. O. Graves, Hartford; W. H. Crandall, Aetna, and Chairman Barger.

Miller to Royal Oak Agency

W. K. Miller has resigned as special agent of Hartford Fire in Detroit and Wayne county and is now connected with the old established Dondero Realty & Insurance Agency, Royal Oak, Mich.

Chicago Examiners Meet Oct. 21

Lt. Col. J. S. Harvey, director of the continuous security division, district 3, of the 6th service command, will speak Oct. 21 at the dinner meeting of Chicago Association of Insurance Examiners at Klein's Restaurant, 304 South Wells street.

John A. Maiken, in charge of burglary, plate glass, liability and accident and health for General Casualty of Wisconsin, has been commissioned a lieutenant (j.g.) in the naval reserve and reports to Hollywood, Fla., Oct. 15.

Late Casualty News

Hoosier Casualty Names Allers

Hoosier Casualty has appointed E. J. Allers as state agent for central and northern Illinois, with headquarters in Bloomington.

Mr. Allers has had considerable experience in the insurance business. He will handle both the automobile and accident and health departments.

Pitts Named at Pittsburgh

Charles M. Pitts has been appointed assistant fidelity and surety manager of Travelers' Pittsburgh branch. Mr. Pitts is a graduate of the University of Alabama and has had wide experience in the fidelity field.

Hold K. C. Sales Congress

The Kansas City Association of Accident & Health Underwriters held a sales congress Friday with Claude V. Cochran, General American Life; J. C. Higdon, Business Men's Assurance, and W. J. Slack, Metropolitan Life, as speakers. John E. Miller, Columbian National Life, was chairman.

Big Bond for Naval Base

LOS ANGELES—U. S. F. & G. has executed a bond for the Zoss Construction Co. of Los Angeles running to the Navy Department, covering a contract for construction of a naval training base at a cost of more than \$1,500,000. Seven other surety companies are participating in the business.

Stanwood L. Hanson, assistant vice-president of Liberty Mutual, Boston, has been appointed by Federal Security Administrator McNutt, one of the national leaders in training for the handicapped to a National Rehabilitation Advisory Council.

NATIONAL INSPECTION COMPANY

CHICAGO, ILLINOIS

Service to Stock Fire Insurance companies for 40 years.
Inspections and Underwriting Reports.

J. G. Hubbell, }
H. B. Chrissinger, } Managers

R. L. Thiele, Asst. Mgr.
P. A. Pedersen, Chief Inspector

Should Prepare to Meet Changes, Spencer Says

Tells N.A.I.A. Companies and Agents Are Partners in Solving Problems

Some thought provoking comments on what will happen to the insurance business if the conditions under which it has grown should undergo radical changes in the post-war world were offered by Kenneth Spencer, president of Globe Indemnity, in his talk before the National Association of Insurance Agents in Pittsburgh Wednesday afternoon.



KENNETH SPENCER

Changes are coming, Mr. Spencer admitted, but he suggested that the strong partnership existing between companies and agents will be capable of successfully meeting them.

However, insurance must be prepared with solutions to the problems which the future will bring, Mr. Spencer declared. It must prove its capacity for adaptability and leadership.

Present Conditions Not Permanent

The fire, casualty and surety business in the United States has grown up under certain fundamental conditions, and in looking toward the post-war future, he said, "we may make a mistake in assuming that these conditions are permanent." He listed the principal of these conditions.

First is the habitual preference by a great majority of buyers for stock companies represented by independent agents and brokers, he said. The growth of companies selling for less was substantial during the depression years, he declared, and many of them have sought consistently to depreciate the value of agency service.

Second, he stated, there is now a high degree of stabilization of rates at generally adequate levels, either by voluntary action or under governmental direction. Competition and state regulation have kept these rates on a level providing only a small margin of profit, or none at all for certain periods as in workmen's compensation. For years loss prevention education and practice has produced a fairly constant reduction in losses and consequently in rate levels.

Third is the establishment of expense factors in rate as a percentage of loss cost, he said. This has been done for

years both as to agency and company expenses. As loss costs go down, expense dollars shrink under this system, but as some expenses cannot be reduced in proportion to the reduction in loss cost, the percentage of the premium for expenses tends to go up and looks large to the critical and uninformed.

Fourth, he stated, the insurance business has had only a small amount of competition from government or government subsidized organizations, except in workmen's compensation.

Fifth, he commended interest in research, public relations and sales promotion. A negligible percentage of the premiums received has been spent either by the companies or agents for such activities which are so important in other businesses.

POTENTIAL MARKET

The sixth point Mr. Spencer listed was the potential market. Insurance still is not bought by most Americans, but must be sold. Only in workmen's compensation to any large extent and in other classes to a very limited degree is insurance compulsory or required by public or private authorities. Even when it is required, salesmanship and service are expected by the buyer from both agent and company. With a large potential market still unsold and faced with steadily increasing demands for service to policyholders, it is natural that insurance has tended to limit its selling and servicing to those of the public who could be sold and serviced most easily and economically.

These are among the important conditions on which the present business has been built. Any or all of them might materially change, he said. In some cases they might change without much advance notice, as the fire insurance rate structure might now be in chaos had Judge Underwood's able decision in the Atlanta case been different.

Some Changes May Be Desirable

Mr. Spencer urged insurance people to give serious thought to what effect material change in any of these conditions would have. He wondered if changes might be desirable, either for the business or in the interest of the public. If any of the changes are in the public interest, insurance should find a way to make them without injury to the soundness of the protection.

He said that cooperative buying and price buying have been greatly stimulated in recent years to the injury of those who sell quality goods and charge for intangibles such as long experience, generous treatment, and intelligent individual service. He wondered how the business can best sell the value of these intangibles and reduce their cost without reducing their quality.

What If Rates Become Chaotic?

In the matter of rate stability, if rates become chaotic because of unregulated competition or inadequate through uninformed or antagonistic regulations, he asked what could insurance do individually or collectively to survive the period before good sense would again prevail? He wondered if insurance is prepared for the contingency that increased losses and expenses might require increased rates.

Present and time hallowed rate making methods unavoidably result in some inequities, he said. As small risks grow larger and many more grow smaller, these inequalities affect more people—buyers and agents as well as stockholders and taxpayers. He suggested that serious study be undertaken to improve insurance rate making with two objectives in mind, adequate dollar incentive for agent and company to sell and properly service all who buy insurance, and increased incentive for all who need insurance to insure adequately because unnecessary dollars have not inflated the cost. Sufficient experiment has already been made in these directions to encourage the belief that these related and important objectives can be achieved and

that the public welcomes such improvements.

Whatever the purpose may be of those who constantly advocate governmental entry into the field of private business, there are strong reasons for believing that the American voter does not prefer bureaucratic service and will not sanction such interference with private business unless he cannot obtain what he wants elsewhere or unless he believes he is being unfairly treated or overcharged. He is willing to pay a profit for good wares or good service. Then it becomes a matter of determining what to do to prevent the extension of competition by government or insure success in such a contest if it should come, he said.

Preventing Government Competition

The surest way to prevent more government competition in insurance, Mr. Spencer believes, is to study the public's needs and desires, provide for both soundly, let every buyer (each of whom is a voter) know what is available to him and how reasonable it is in cost, and then do what may be necessary to induce him to buy it. It is difficult to imagine a public demand for the government to manufacture, distribute and service automobiles, refrigerators or radios. Yet when all motorists need automobile liability insurance and less than one-half of them buy it, it is not remarkable that there is a demand for compulsory insurance to be provided by the state, he said. Progress of state insurance has not been checked by public knowledge of its relative value and cost, he declared.

This is certainly a fertile field for research on which sound and effective public relations and sales promotion programs can be built. A satisfied policyholder is a supporter, and an adequate sales coverage of natural markets is an important public relations factor in itself. Mr. Spencer said that the Association of Casualty & Surety Executives has authorized its officers to add a real research department to its many other important divisions.

SELLING THE MARKET

Selling insurance's potential market is, Mr. Spencer believes, the most important job which the agent-company partnership faces in the future. Continuation of the American system of free enterprise depends upon insurance companies and the agents meeting this fundamental challenge to the industry. It will not be fully answered until every American who needs insurance has had the opportunity to buy what he needs at a cost which he can afford. This need can be met only by private insurers and independent agents, both operating under regulation of public officials in the several states.

It is possible that insurance must revise its methods and its thinking, perhaps even the requirements of those who regulate insurance must be changed, he suggested. New insurance packages and practices are required to protect and serve the mass market. Unit costs must be lowered in company and agency offices and operations now considered necessary must be dispensed with to that end, he said. Plans to meet it have already passed the conversation stage in more than one branch of the business, and blueprints for the future are in the making now, Mr. Spencer revealed. The more these problems are discussed and considered, the more quickly sound conclusions will be reached, he said.

No Easy Answers

Yet there are no easy or quick answers, he stated. One of the greatest contributions is to study and improve the insurance business in management, efficient operation of office detail, and in selling.

Any program for the future must take into account the social consciousness of the world today, he said. Plans must be devised with the aim of the greatest benefit for the greatest number. Insurance is one of the great socializing fac-

tors in the world today, he said. It takes numerous risks for minute units of profit. Thousands of agents give their energy, initiative and service to hundreds of thousands of clients through multitudes of policies all through the years. Divide the profit any agent or company makes by the number engaged in making it, and the individual unit per contributor is almost insignificant. Divide by the number of policies, and it is smaller still, he said. Administration costs grow higher every year. Taxation gets no less, and is now a considerable share of each dollar of premium. While at the moment claims are moderate, investment problems are difficult, interest rates are low, and still insurance continues to give more and get less for it.

Mr. Spencer emphasized the partnership relations between agents and companies. However, he said, he did not dwell on it because of the implication that it does not therefore exist. Actually, he said, while there is need of greater, more enlightened and more unselfish cooperation, he said that there is a very high degree of cooperation in evidence today, and its effectiveness has been accelerating in the past few years.

Get Employers Mutual on Coast

Carter, MacDonald & Co. of Seattle have been appointed general agents in Washington, Oregon, Idaho and Alaska of Employers Mutual Casualty of Des Moines. The appointment does not affect the agency of the Automobile Club of Washington, which writes its automobile business with the same company.

Broockmann with National

Earl W. Brockmann has been appointed special agent in the Cook county engineering department of the National of Hartford group. He is a native of Chicago, graduated from Armour Institute in 1934, and since that time has been with the Indiana Inspection Bureau at Indianapolis.

Scheving to Seattle

W. E. Scheving, for 15 years casualty underwriter in Travelers' Los Angeles office, has been transferred to Seattle to take over the duties of Lewis P. Kelley, who resigned recently to become manager of the newly-established Seattle service offices of National Automobile of Los Angeles.

Rauter Central N. J. Special

American Casualty has appointed C. R. Rauter special agent for central New Jersey, succeeding the late Fred Ritter. He was an insurance broker in New York City for about two years.

Rowan Heads Accounts Dept.

Walter Rowan has been appointed manager of the accounts department at the Newark branch office of Maryland Casualty, succeeding Miles S. Drake, who has entered service. Mr. Rowan has been in insurance work about 10 years.

Paul Menoher with Am. Casualty

American Casualty has appointed Paul E. Menoher as resident manager at Atlanta. Mr. Menoher is from Cedar Rapids, Ia., but has been servicing agents in this territory during recent years as a special agent for American Surety, and field assistant for Travelers Indemnity.

Herter Is Boston Speaker

Congressman Christian A. Herter of Massachusetts, who was speaker of the Massachusetts house before being elected to Congress, will address the Boston Accident & Health Association Friday evening.

New S. D. Company Licensed

The South Dakota insurance department has issued a license to a new company, Western Mutual Life & Accident of Belle Fourche, S. D.

PERSONALS

(CONTINUED FROM PAGE 16)

tified with the Fire Insurance Rating Bureau at Milwaukee and was for several years an executive of the state insurance department at Madison has been appointed federal deputy internal revenue collector at Madison, Wis. Mr. Rose's brother is manager of the Fire Insurance Rating Bureau at Superior.

DEATHS

G. R. Brown, Veteran in Mountain Field, Dies

Grant R. Brown, 80, with the Fire Companies Adjustment Bureau in Portland, Ore., until he retired 10 years ago, died there. He was a veteran in the Rocky Mountain fire field.

Mr. Brown entered the fire insurance field in 1884 as a clerk for the Hartford Fire under G. F. Bissell of the western department in Chicago, where he remained for eight years. Following his Hartford connection he became examiner for William C. Brown, general agent for the western department of German of Quincy, and later became special agent and chief clerk for Royal under Case & Company, managers at Chicago.

He was with Pennsylvania Fire in and around Chicago, and in 1901 he was transferred by the Pennsylvania to Denver as state agent for Colorado, Wyoming, a part of Kansas and the Black Hills in South Dakota. After two years he became special agent for Liverpool & London & Globe, remaining in Denver for a year and then going to Salt Lake City for the company 10 years. From there he went to Great Falls, Mont.

Traveled Field in Stage Coach

In his early days in Colorado and Wyoming he did considerable traveling by stage coach. In 1922 he became manager of the Great Falls office of the Pacific Coast Adjustment Bureau and was later promoted to manager of the Butte, Mont., office of the bureau. In 1932 he was transferred to the Portland, Ore., office of the Fire Companies Adjustment Bureau.

He was one of the founders of the Montana pond of the Blue Goose and served as its most loyal gander. At the time of his death he was a member of the Oregon pond. He is survived by his widow, one son, and an older brother, William C. Brown, who is still active as an adjuster for Pennsylvania Fire at St. Louis. Burial was at Great Falls, Mont.

Hugh T. Nelson, 78, for many years Virginia state agent of New York Underwriters, died in Washington, D. C. He had been ill for some time with a heart ailment. He supervised Virginia with Richmond headquarters for 26 years, retiring in 1926. In early life he was in the banking business at Clifton Forge, Va., becoming a local agent of New York Underwriters there while located in that town. Later, he was special agent in Louisiana for a time for that company before being transferred to Virginia. After his retirement as Virginia state agent, he removed his residence to Washington.

James E. Byrne, 74, for 30 years an agent in Lynn, Mass., died in Laconia, N. H.

Frank Stouffer of the Hahn & Stouffer insurance agency at Colfax, Ia., and former regional vice-president of the Iowa Association of Insurance Agents, died at his home from a heart attack. He was stricken several months ago and removed to a Des Moines hospital. Recently he returned to his home and was believed on his way to recovery although he had not resumed his office duties.

Walter Larson, adjuster of the Illinois

Senator, Industrialist, Newspaperman Are Heard



HARRY F. BYRD
U. S. Senator, Virginia



JAMES S. ADAMS
President Standard Brands



W. E. ROBINSON
New York "Herald Tribune"

Loss Adjustment Office of the America Fore companies, died at home after he had been released from a few days' illness in Norwegian-American hospital in Chicago. He had been with the office for 12 years, and previously was connected with Lord & Thomas in the appraisal business, traveling nationally. He was a member of Blue Goose and a Mason.

Gustav H. Ficke, 70, veteran local agent of Davenport, Ia., died there from a cerebral hemorrhage. He had been engaged in the insurance business in Davenport for 40 years. He had represented Milwaukee Mechanics for 35 years.

Joseph P. Jordan, Scranton, Pa., local agent, died at his home there.

Willard Chambers, secretary of the New York local department of North British & Mercantile, died unexpectedly at his home in New York. He had been at the office that day. He had been with North British since 1919, formerly he was with Sun. He had been secretary since 1930. He had served as treasurer of the New York Board from 1920-39, and was a director at the time of his death. He was secretary of the New York Fire Insurance Exchange for 14 years. He was treasurer of the Suburban Exchange.

H. C. Borhus, who has conducted a local agency in Minneapolis for several years, died there. Because of poor health he had not been active in the business the past few months.

Frank L. Gaetzman, 72, partner in the Walter H. Bissell, Jr., agency, Wausau, Wis., and prominent in political and civic affairs, died at his home there.

James Leslie Morris, for 35 years connected with Lumbermen's Mutual died at Fairview Park Hospital, Cleveland. At the time of his retirement two years ago he was manager of the lumber department of the Cleveland branch office. He was a past president of the Cleveland Lumber Club.

George H. Swain, western Canadian department manager of Northwestern Mutual Fire, died at his home in Vancouver.

Mr. Swain joined Northwestern in 1923. Following a short period in the home office, he was transferred to Portland, where he worked as a salesman until 1926. In that year he was assigned to Wenatchee, Wash., as manager, which position he held until 1929 when he returned to Seattle to become manager of the special dwelling department with supervision of the northwestern section of Washington, as well as the Wenatchee and Yakima offices. In 1933 Mr. Swain was appointed western Canadian department manager.

Late Casualty News

Legislative Results Reviewed

MILWAUKEE—Irving P. Mehigan, legislative counsel for the Insurance Federation of Wisconsin, discussed the insurance bills introduced and action taken in the 1943 legislature at the monthly luncheon meeting of the Casualty Adjusters Association of Wisconsin.

Barnes Los Angeles Speaker

LOS ANGELES—The Casualty & Surety Field Men's Association of the Pacific Southwest will hold its next meeting Oct. 18. William Barnes, safety engineer of Globe Indemnity, will speak.

Honor Andrews in Los Angeles

LOS ANGELES—Neal Andrews, Maryland Casualty, vice-president Surety Underwriters Association of Southern California, who resigned to enter the brokerage field, was honored at a meeting of the association and was presented a pen and pencil set in appreciation of his service.

The association was advised of a change in commission rates on certain types of bonds.

President R. S. Possinger named a nominating committee to select a slate and report at the November meeting.

Employers Mutual in Bond Field

Employers Mutual Liability of Wisconsin, which is now on the Treasury Department's approved list of bonding companies, has not yet actively entered the bonding business but plans to get under way shortly. It is licensed for fidelity business in Alabama, California, Colorado, District of Columbia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Pennsylvania, South Carolina, South Dakota, Utah, Vermont, Wisconsin, and Wyoming, and expect to be licensed in most of the other states shortly.

Consider Inspection Ordinance

LOS ANGELES—Casualty Insurance Association of Southern California considered the 48-hour week modified to 44 hours and the proposed ordinance offered by the board of mechanical engineers of Los Angeles relative to changes in the elevator and boiler inspection setup. The insurance companies' interest in the measure is to disprove the charge made by the board that company inspectors



OFFICIAL WAR MESSAGE NO. 13

How to say
"NO"
to yourself!



When you're tempted to buy something you don't really need... remember all the things our boys are going without. It will help you go without, too.

When you're tempted to pay more than ceiling prices, or to patronize a black market, or to profit from the war in any way... remember the sacrifices our men in uniform are making. It will help you make sacrifices, too.

Remember that the only sure way to keep prices down is for you to: use it all, wear it out, make it do, or go without. Pay your debts. Pay your taxes. Buy more bonds and Smash the Axis!

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90 John Street, New York

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AS DEFINED BY THE DICTIONARY:

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greater favor; liked better."*

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of policyholders and has cemented the mutually profitable relationship between the Company, its Agents and Brokers—a large majority of whom have been "Preferred Producers" for a long period of years.

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U. S. Will Pay More Under War Dept. Group Rating Plan

Increasingly Heavy A. & H. Claims Will Dip Deeply Into Reserve Pool

WASHINGTON — The unfavorable experience on group accident and health in war industries will undoubtedly result in the government's paying substantially more under its cost-plus rating plan for group insurance than if the conventional basis of buying group insurance had been used. Such an outcome, incidentally, should not be regarded as a reflection on the rating plan as the bad accident and health experience is almost entirely due to war conditions and the War Department's purpose in requiring its radically different rating plan for cost-plus-a-fixed-fee contractors was aimed not only at keeping the group-writing companies from making too much money out of war-plant business but also to spare them unduly heavy losses.

The accident and health experience will make it necessary to dip heavily into the reserve pool that is a feature of the War Department rating plan and thereby diminish the amount that will be available to return to the government when business has run off the books. The A. & H. experience and losses will a good deal more than offset the satisfactory record for life and hospitalization.

Reasons for Bad Record

Reasons why the A. & H. record is bad and getting worse appear to be employment of more women in war industries, older employees and marginal employees who ordinarily would not be taken on. There is also the fact that so many employees are getting vastly more than they are accustomed to, so that the accident and health benefit looks big in comparison with what they had previously been getting. For example, to a worker earning \$60 a week a benefit of two-thirds of that, or \$40 seems like a large amount to be paid for doing nothing when he or she was previously earning \$25 or so a week. Furthermore the accident and health benefit is not subject to income tax, although probably not enough employees realize this to make it any great factor in malingering.

Another reason why the A. & H. record is bad is that many workers don't want to be tagged as absentees and report as sick when they only want to take some time off. This is particularly true with women workers. A woman on the job finds that her housework is piling up and she needs time off to take care of it. Or perhaps she really becomes sick but stays off the job abnormally long because instead of resting she tries to clean up an accumulation of housework and thus prolongs her convalescence.

Incidentally, the bad A. & H. record is not confined to war plants on a cost-plus-a-fixed-fee basis but is general among other plants doing war work or those which have been affected by the abnormal personnel situation.

Frank MacGibeny Resigns

Frank MacGibeny has resigned as secretary of Jones & Whitlock of Illinois. He had held that position for the past six years and engaged principally in handling casualty business, particularly

E. C. Stone Predicts Record Boom in Post War Period

SEATTLE — Depression-proof and possessing an amazing degree of vitality, insurance faces great opportunities for expansion and development in the post-war era, Edward C. Stone, U. S. general manager Employers' Liability, told the King County Insurance Association at a luncheon meeting here.

Mr. Stone, who was completing a tour of the coast field in company with William Wittkoff, San Francisco manager, expressed optimism over business conditions after the war. He said he can see no reason for fearing a depression, voicing the belief that there will be "one of the greatest booms we have ever seen."

Resumption of the manufacture of automobiles should absorb virtually all of the workers presently employed in production of armaments in automobile factories. Other factors which will contribute to widespread employment and industrial prosperity will be the huge expansion of the aircraft industry, which Mr. Stone believes will come into its own with large scale development of commercial airlines and the use of private planes. A huge housing construction program to meet present and anticipated shortages will further accentuate business activity. In addition to these factors, Mr. Stone said the inventive genius of the American people will open vast new fields to furnish employment to many thousands. The great strides in scientific research during the present war will have a profound effect upon the production of new peace-time products.

Can Expand to Meet Needs

In this anticipated expansion after the war insurance will play a most important part, being in the fortunate position of expanding its facilities to meet broadened needs. In this connection Mr. Stone said he is impressed with the fact that insurance is always in a position to take advantage of new developments and need not fear that it will be put out of business by new inventions, a factor that great industrial concerns must reckon with by maintaining costly research departments.

In addition to vitality, insurance is depression-proof because in hard times "those who have are more keenly interested in protecting what they have," Mr. Stone remarked. Underwriting profits were almost as good in the early thirties as during the better years which followed. "Insurance is the most nearly depression-proof business there is," he declared.

Aviation Business Foreseen

As a result of the invention of the automobile there was developed the largest single premium producing line of all time. If the airplane displaces the automobile in many uses, as Mr. Stone predicted it will, there again will be afforded a great opportunity to insurance. "Aviation may well become greater than the automobile has ever been."

Mr. Stone said his considered optimism over the future was qualified only to the extent that a more business-like approach to domestic affairs be adopted in Washington. He said he believed there was a good chance that this would come about. He was particularly concerned over the attempts of the Department of Justice to usurp state supervision, impose federal regulation and bring about eventual government monopoly in the field of insurance. In this connection, he traced the recent anti-trust investigation and litigation involving fire insurance and urged the agents to throw their full support behind pending legislation in Congress to clarify

London Lloyds contracts. He has been in the insurance business some 20 years.

exemption of insurance from the anti-trust laws. "Freedom of opportunity is the basis of all freedom," he asserted in urging insurance people to join with other business men in a fight to preserve the American economic system.

Mr. Stone stressed the importance of survey selling as a means of bringing the benefits of insurance to the public more generally. "Insurance is freedom from worry over financial loss," he emphasized. Premiums paid by policyholders who do not sustain a loss are well spent, he pointed out, for they provide the policyholder with "freedom from worry." Too much emphasis in the past has been placed on advertising financial statements of the companies. While financial stability is of great importance, nevertheless there has been imbedded in the public's mind the impression that companies merely collect and disburse money, failing to appreciate the service performed. This "freedom from worry over financial loss" is a factor of greater importance than is generally realized, since it enables individuals and business executives to pursue their work unhampered.

Mr. Stone was introduced by Stuart G. Thompson, president of Stuart G. Thompson-Elwell Co., general agents in Washington for the Employers group.

New Auto Casualty Rules Published

NEW YORK—The National Bureau of Casualty & Surety Underwriters has made a number of detail changes in automobile liability rules and sent out new rate and exception pages for a number of states. Many of the new pages incorporate changes previously announced.

The drive other cars rule has been broadened to permit relatives residing with joint owners of an automobile or partners to be included on the same basis as relatives of executive officers of corporations. Non-ownership liability insurance written for a federal or local housing authority may now be issued for a flat premium based on the estimated number and distribution of class 1 and 2 employees, to avoid the trouble of audits.

Garages which qualified for schedule rating during a policy period ending on or after July 1, 1943 but have become ineligible because they were forced to reduce their payrolls may, under a new rule, be charged a rate midway between the old schedule rate and the new applicable rate. The minimum annual payroll requirement for schedule rating is \$20,000.

Logging trucks and trailers or logging tractors and semi-trailers may now be rated as one unit in the heavy class 4. This rule has been in force on the Pacific Coast for some time and is now made country-wide. The rule on local truckmen hauling exclusively for one designated firm has been changed to eliminate the provision that this exclusive hauling must be throughout the entire policy period, thus permitting the assured to change from one firm to another. Buses with seating capacity of over 60 are now rated at 150% of the bodily injury rate for buses of over 30 passengers and 110% of the property damage liability rate.

Gifts for Men in Uniform

DES MOINES—Members of the Des Moines Casualty & Surety club voted to purchase Christmas gifts for members of the organization now in the armed service, it was announced by President E. V. Proudfoot of Travelers. A Navy motion picture on the Seabees was shown at the meeting.

Uniform Policy Form Tests in A. & H. Field Framed

Commissioners Group Receives Company Recommendations

A recommendation for uniform procedures for the filing of personal accident and health policy forms and recommendations as to what the forms shall embrace was submitted by a joint company committee representing the Bureau of Personal Accident & Health Underwriters and the Health & Accident Underwriters Conference to the subcommittee of the accident and health committee of the National Association of Insurance Commissioners at the Edgewater Beach Hotel, Chicago. These recommendations will now be studied point by point by the commissioners' committee which will prepare a revision according to its views and this will be submitted at the winter meeting of the commissioners Nov. 28-Dec. 1 in New York. George Goodwin, Connecticut deputy, who until recently was secretary of the A. & H. department of Connecticut General Life, presided as chairman.

Harold R. Gordon, executive secretary of the H. & A. Conference, presented the report on behalf of the committee. The other members of the company committee are R. A. Payne, Travelers; F. L. Templeman, Maryland Casualty; Paul H. Rogers, Aetna Life; R. J. Wetterlund, Washington National, and William Wollny, Commercial Casualty.

Commercial Policies Only

The company committee had prepared its report at the request of the commissioners' subcommittee. A number of lengthy sessions had been held. The recommendations are confined to the approval of commercial accident and health policies only. They do not embrace weekly industrial policies or group or blanket or family expense contracts.

The committee recommended that when the subcommittee makes its final report, it make the suggestions effective at a future date of at least six months following the adoption of the report and that the recommendations be applied only to new policy forms submitted and approved on or after that date.

Nellis Parkinson of the Illinois department spoke on that point. He said that the Illinois department would not want to have its hands tied insofar as existing policies are concerned. It would still want to have the privilege of challenging policies that had previously been approved. Mr. Gordon expressed the opinion that Illinois would still have that privilege and that the company committee merely desired to obviate the necessity of getting approval anew for every policy in the portfolio. He said that competition forces companies continually to revise their policies and that the standard tests could be applied to every policy as it came up for amendment. Within a year or two practically all of the policies on the market would have been subjected to inspection on the new basis.

Commissioner Fraizer of Nebraska said that while he was not prepared to criticize the recommendations in detail he did approve the principle of providing a pattern for scrutinizing policies. He

said that too often the policy examination is based upon the whims of insurance department employees.

The proposed recommendations are shown herewith:

The first obligation of an insurer is to make certain that the policy, rider or endorsement has been drafted in compliance with the statutes of the state in which approval is sought. All states accept policies containing "standard provisions" but in some states a corrective rider or endorsement is necessary to change some of the standard provisions to comply with the statutes of the individual state. It is important that each company be familiar with the statutory requirements of the individual states. A uniform procedure in the filing of forms is beneficial to the insurance departments and the insurers alike and the following is suggested:

Filing of Forms

When policy forms, riders or endorsements are printed and complete, they should be formally filed as follows:

A. Two copies of all such forms shall be submitted in blank with copy of application applying thereto, if such application is to be made a part of the contract.

B. Each form must bear an identifying form number in the left hand lower corner of the first page.

C. It is suggested that each insurer submit filing letter in duplicate, one copy to be retained by the department, the other to be used for acknowledgment or approval purposes and returned to the insurer.

D. The filing letter should contain the following information:

(1) Name of form and identifying form number.

(2) If the submission is a new form, so state.

(3) If the form is intended to supersede another, give the form number of the form replaced.

(4) State whether or not the form has been approved by the department of the home state or specify that the form is not to be used in the home state.

Guide for Review of Contracts of Accident and Health Insurance

Title of Policy

Title of policy, if any, must not be misleading.

Brief Description

1. A brief description fairly inclusive of what is to be found in the policy must be printed at the top of the first page of the policy and on its filing back in identical words.

2. The description should contain limiting words as, for instance, either "as herein limited and provided" or "to the extent herein provided."

3. Should be set forth in 18 point type. (Some states accept 14 point type.) Ticket policies issued only at transportation offices are excepted.

4. Must agree with the insuring clause, i.e., "accidental bodily injury"—"injury sustained through accidental means," etc.

5. The word "unlimited" must not be used in the brief description.

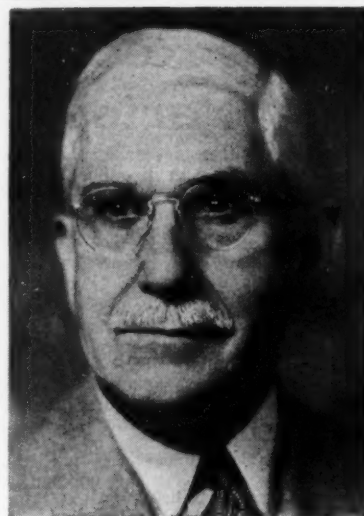
Limited Policy Imprint

1. All limited policies shall be so identified by having the words "THIS IS A LIMITED POLICY — READ IT CAREFULLY" imprinted diagonally across the face of the policy and the filing back in contrasting color from the text of the policy and in outline type not smaller than 18 point.

For the purpose of this requirement, a limited policy is one that contains unusual exclusions, limitations, reductions, or conditions of such a restrictive nature that the payment of benefits under such policy are limited in frequency or in amounts.

2. If any policy provides coverage for the wrecking or disablement of or material damage to any automobile, elevator or other conveyance in which the insured is a passenger at the time of the accident, such words must be defined (in the text of the policy or by rider or endorsement) substantially as damage which necessitates the immediate stopping of the conveyance and repairs in order to place the conveyance in as good condition as it was before the accident. If any policy confines the coverage to the conditions above mentioned, such

CASUALTY-SURETY PARLEY



LEW H. WEBB, Chicago
President



W. D. O'GORMAN, Newark
Executive Committee Chairman

PITTSBURGH—The National Association of Casualty & Surety Agents assembled a goodly number of delegates here. The executive committee met Monday afternoon with W. D. O'Gor-

man, Newark, chairman and former president, presiding. Lew H. Webb, Chicago, president, was at the head of the table at its dinner Monday evening with 25 attending.

policy shall also be designated as a limited policy as above provided.

Name of Insurer

All policies must bear the corporate name of the insurer by which it is issued on the face and filing back.

Date

A policy must express the time at which the insurance thereunder takes effect and terminates.

Premiums

The entire consideration for which policy is issued must be expressed in the policy.

Standard Time

If reference is made to any standard of time by which to determine the term of the policy, such reference must be to the standard time at the place where the insured resides.

Grace Period

If policy provides a grace period for the payment of premium, the coverage during that period cannot be made contingent upon payment of the premium before the expiration of the grace period.

Benefits (Indemnities)

1. If in contracts providing specified benefits for dismemberment, death or surgical operations the insurer limits its liability to one such loss as a result of the same accident, hospitalization or illness, a provision shall be included entitling the insured to receive the largest amount so specified.

2. If any benefits in a policy are to be reduced when the insured attains a specified age, the appropriate provision in the policy shall be printed in bold face type in the paragraph concerning reductions.

3. In case the insured or beneficiary shall have the right to elect alternative benefits, the time for making such election shall not be shorter than the time allowed for the giving of notice of injury or sickness.

Reimburse

No provision shall contain the words "reimburse" or "reimbursement" or the phrase "the amount actually expended" or require the insured to furnish a receipted bill as proof of loss. Such a clause may provide that the insurer will pay the expenses actually incurred within specified limits.

Identification

Any provision of a policy which purports to "identify" an insured shall be given no caption which does not clearly designate the coverage provided and such a provision shall be included in the policy only when the insurer follows the practice of providing an identification

card or token suitable to be carried on the person of the insured.

Execution by Insurer

A policy should contain an attestation clause which should be signed by the proper executive officers in accordance with the by-laws of the insurer. (Facsimile signatures are acceptable if countersignature or other similar authentication is provided for). Policies issued by alien companies may be over the signature of the United States manager.

Reinstatement

Policies shall contain no conflicting requirements with those mentioned in standard provision 3 concerning reinstatement after lapse.

Applications

1. Applications shall be composed of questions by the insurer in the form of clear and direct interrogatories permitting answers by the applicant only in the form of direct statements of known facts and shall not contain any questions or representations based on indefinite or ambiguous terms.

2. Must be based upon representations and not warranties.

3. If part of the consideration for the issuance of a policy is a written application, a copy of application must be attached to or endorsed upon the policy in not less than 10 point type.

Riders

A rider is an instrument, signed by one or more officers of the insurer issuing the same, to be attached to and form a part of a policy. If the rider purports to reduce or eliminate coverage of policy, size of type used shall comply with policy regulations. If the rider does not reduce or eliminate coverage of policy, signature of insured is not necessary.

Endorsements

An endorsement differs from a rider only in that it is applied to a policy by means of printing or stamping on the body of the policy.

STANDARD PROVISIONS

A number of the states require the use of standard provisions. Other states which do not have a standard provisions law accept and permit the use of standard provisions. If a policy form is for use only in a state not having a standard provisions law, the policy need not contain the standard provisions. If an insurer is domiciled in a state which does not have a standard provisions law, such insurer may use the standard provisions of any state in which such insurer does business. As a matter of reciprocity between states, the few typographical differences between the standard provisions required by the several

states may be disregarded when the meaning is not changed.

Numerals should be used in the designation of the standard provisions. Numbers appearing in the text of the standard provisions should be spelled out. Separate captions for individual standard provisions should not be used.

The standard provisions used must agree exactly, by language and number, with the standard provisions in the law of the state followed.

Standard Provision 1

If the pro rating form is used, it is a reducing clause, and the first paragraph of provision No. 1 must be printed in 12 point bold face type, i.e., with more prominence than the exclusions.

Standard Provision 3

Use the first alternative clause in an accident policy. Use the second alternative clause in a health policy. Use the third alternative clause in an accident and health policy.

Standard Provision 4

Use the first alternative clause in an accident policy. Use the second alternative clause in a health policy. Use the third alternative clause in an accident and health policy. If a death benefit is provided in the policy, immediate notice of accidental death may be required in the language of the law.

Standard Provision 7

Use the first alternative clause in policies providing no weekly or monthly indemnity for loss of time. Use the second alternative clause in policies providing only weekly or monthly indemnity for loss of time. Use the third alternative clause in policies providing weekly or monthly indemnity with other benefits.

Standard Provision 9

Use first alternative clause in policies providing no weekly or monthly indemnity. Use second alternative clause in policies providing other benefits in addition to weekly or monthly indemnity. This provision may be omitted in policies providing weekly or monthly indemnity only. Insert "immediate" or some period of time not to exceed 60 days in blank space.

Standard Provision 10

Use this provision only in policies providing a weekly or monthly indemnity. Omit in other policies.

Insert "all" or not less than one-half in the first blank space, and some period of time not to exceed 60 days in the second blank space. (Time limit in New York state is 30 days.)

Standard Provision 11

Use first alternative clause in policies paying a death benefit. Use second alternative clause in policies without a death benefit.

Standard Provision 13

Use only in policies providing a death benefit.

OPTIONAL STANDARD PROVISIONS

The optional standard provisions begin with No. 16 (cancellation clause) and must follow immediately after and under the same heading standard provisions.

Optional Standard Provision 17

This is a reducing clause and requires 12 point bold face type.

Optional Standard Provision 19

Print in 12 point bold face type and use the first alternative clause in policies providing no weekly or monthly indemnity. Use second alternative clause in policies providing only weekly or monthly indemnity. Use the third alternative clause in policies providing both weekly or monthly indemnity and principal or capital sum payments.

Optional Standard Provision 20

Any ages may be inserted in blank space. This provision should be printed in light face 10 point type.

GENERAL, MISCELLANEOUS OR ADDITIONAL PROVISIONS

Such provisions shall immediately precede or follow the standard provisions. As the time for bringing legal action differs in some states, the following or similar provision should be included: "If any time limitation of this policy with respect to the bringing of an action at

(CONTINUED ON PAGE 54)

London Lloyds Is Sued in Central Mutual Case

Attorney Myer N. Rosengard of Chicago, in behalf of Michigan Motor Freight Lines and Great Central Transport Corporation of Michigan, has filed an intervening petition in the circuit court at Chicago demanding that London Lloyds under its reinsurance contract with the defunct Central Mutual of Chicago, pay to the receiver such amounts as it would have been compelled to pay were Central Mutual in a position at this time to make payment in full to claimants whose claims are allowed or will be allowed in court. He asked that Lloyds be estopped from asserting that its reinsurance liability is based solely upon actual loss payments made by the receiver to claimants as distinguished from liability for payment.

In taking this position Mr. Rosengard is going up against the rule laid down by the U. S. Supreme Court in *Pink vs. Southern Surety* that the reinsurer's liability in the case of a defunct company, is tied to the actual loss payments that are made by the receiver. Mr. Rosengard contends that there are certain elements in the London Lloyds reinsurance of Central Mutual that put a different face on the question.

Relied on Reinsurance

In 1934, according to Mr. Rosengard, Central Mutual was not a strong and large financially responsible company. In ordinary circumstances the large trucking companies would not have accepted Central Mutual policies. In the latter part of that year, however, Central Mutual made a reinsurance arrangement with Lloyds and the representatives of Central Mutual began to emphasize that reinsurance in soliciting business. At no time, he states, did Central Mutual or Lloyds inform the public that the risk assumed by Lloyds was other than reinsurance of a proportionate or entire part of Central Mutual's liability, distinguished from the assumption of a part of the losses only in the event of payment by the insurer. Mr. Rosengard expresses the belief that in all financial statements issued by Central Mutual subsequent to Oct. 31, 1934, it in one manner or another reflected as an asset the liability assumed by Lloyds. He contends that the state insurance department assumed that the liability of Lloyds was an absolute liability to pay when liability was established against Central Mutual.

According to Mr. Rosengard the first Lloyds' policy was issued Oct. 31, 1934, and reinsured 25% of \$5,000/10,000 P. L. limits and 25% of \$5,000 P.D. Thereafter the reinsurance policies were excess contracts.

Early in 1936, the Illinois department determined that Central Mutual was impaired. At a conference of insurance department officials, it was agreed that if Central Mutual were able to obtain reinsurance of a larger part of its assumed risk, Central Mutual would be permitted to continue in business. Thereupon, according to Mr. Rosengard, Lloyds undertook to reinsure Central Mutual to the extent of 50% of its risk and insured, in reliance upon that reinsurance, agreed to get new policies or to extend the term of existing contracts.

The action in which an intervening petition was brought was started last March by the Central Mutual receiver to determine the rights of the receiver or policyholders covered in the Lloyds reinsurance policy. In April the receiver filed a bill of particulars in which a judgment of \$33,300 plus interest is asked.

A hearing is to be held Oct. 25 on the Rosengard petition.

Beneficial Casualty of Los Angeles and **Excess Mutual Reinsurance** of Wilmington, Del., have been licensed in Ohio.

New Year Book Issued on C. P. C. U. Examinations

The American Institute for Property & Liability Underwriters, northeast corner 36th and Walnut streets, Philadelphia, has got out a new year book. The content is similar to the last year's edition but there are some changes. Harry J. Loman is dean. The new edition contains the 1943 examination results and the names and addresses of the persons who received the C.P.C.U. designation. The examination fee is \$10 for each of the five examinations. A fee of \$5 will be charged each candidate receiving the C.P.C.U. designation and an initial fee of \$15 will be charged at the time an application is filed. The examination date for Part I will be June 7, Part II, June 8, Part III, June 8, Part IV, June 9, Part V, June 9.

To encourage early filing of applications the Institute will grant a discount of \$5 if the application is completed prior to April 15, and \$3 if completed between April 15 and May 1 of the year in which the candidate intends to present himself for examination. The discount will be credited towards the candidate's examination.

Assigned Risk Plan Causes Extra Work for Agent

Members of the Cincinnati Fire Association manifested special interest in the working of the automobile assigned risk plan when L. U. Jeffries of the Ohio department talked on that subject at the business meeting of the association. He also discussed the Ohio safety financial responsibility law, the new New York standard fire policy, and the agency and solicitor qualification law.

As under the assigned risk plan a risk must be declined by three companies before being placed, agencies are experiencing difficulties with persons who have applied for insurance. Considerable advertising for business is being done by the companies by mail and over the radio. This brings inquiries. Many come from persons that the companies do not normally want to write. When a company receives the risk and seeks a credit report there is some delay, particularly now, when the credit reporting companies cannot respond as quickly as in normal times.

By the time the risk has passed through three companies, perhaps 30 or 60 days have elapsed. In the meantime, the agent is being pressed by the automobile owner for coverage. When eventually written, the agent realizes 10% on a \$16 premium. Half of the commission of \$1.60 goes to a solicitor so he has had not only no profit but a loss in the transaction, not to mention the annoyance of perhaps several telephone calls from the person who wonders why he isn't insured promptly. It has been suggested that some of the larger companies, realizing that they will get the large number of assigned risks anyway, might be more liberal in taking such general class of business when first offered by their agents.

Walter S. Paine Again Industrial Safety Head

Walter S. Paine, manager of the engineering and inspection division of Aetna Casualty, was reelected vice-president of the National Safety Council in charge of industrial safety at the congress in Chicago. Mr. Paine, who starts his fifth consecutive year in this capacity, formerly served for three years as vice-president in charge of engineering. Prominently identified with the cause of safety, he is a member of the War Production Fund to Conserve Manpower, the engineering committee of the National Conservation Bureau and in recent months has been especially active in safety work in war plants.

Casualty Committee Raps Hill Plan, But Likes Retrospective

The casualty and surety committee of the National Association of Insurance Agents, under R. W. Howe, Richmond, Va., at its meeting in Pittsburgh, repeated its opposition to the war projects rating plan and especially to the principle of separation of company and agent. The committee decided to draw up a suggested resolution either to be submitted to the resolutions committee or to be brought up on the floor Wednesday.

Mr. Howe discussed the new retrospective rating plans, calling them an excellent compromise for the agents. Of the four plans, the National association committee tried for over two years to get two of them, the guaranteed cost plan and the retrospective plan without a penalty. The third plan is substantially similar to the present retrospective plan and the fourth plan is a special one, urged by a few companies for a limited number of risks, which have suddenly become large without time to qualify for experience rating.

Commission Only Argument

The National association committee, Mr. Howe said, withheld full recommendation of the plans because of a difference of opinion on acquisition cost. In the bracket between \$5,000 and \$50,000 the agents' committee felt the commission should be 7½% instead of 5%. The acquisition cost allowance up to \$5,000 is satisfactory and, in fact, represents a small increase over the old retrospective set-up. The committee is still fighting for the plan of joint contribution on the part of company and agent and has tried hard to get over its point that an agent's expense is just as divisible as a company's.

Mr. Howe also said that the agents' committee wanted a retrospective plan for small risks, but found this impossible because any plan which increases the cost to small risks is invariably killed by state rating authorities. He said that the record shows that producers are always willing to accept a graded commission in competitive cases, 66,000 cases of equity rating being recorded in New York in 1940.

Employers Liability Now Writing Malpractice

Employers Liability and American Employers now are writing malpractice liability insurance. This is the first venture into this field for the Employers' companies, and it is being written in all states on doctors, dentists, druggists and hospitals, except in California, Oregon and Washington, where for the time being the offer applies only to dentists and druggists.

Rates and coverages are substantially those of the companies now actively in the market. In introducing the coverage the Employers' companies point out some of the main points for the agent to remember in selling the coverage. The application is very important. It must be clearly answered and signed by applicant with full knowledge of its provisions, to which he agrees. Prospects should be in good standing in state and local professional societies. There is no exclusion regarding drug stores except the "chain" or "cut-rate" stores, and the druggists should belong to local or state druggists or pharmaceutical association. For the druggists the premium consists of two items, the store charge and the employee charge. The proper insuring of hospitals is a highly technical matter and much detailed information must be secured, the companies pointed out.

Williams to Employers Mutual

Leonard Williams, for 15 years office manager of the Iowa branch of Massachusetts Bonding, will join the bonding department of Employers Mutual Cas-

Cal. May Tax Premiums Derived from Cal. Residents Under Contract Made in Kan.

LOS ANGELES—Attorney General Kenny has rendered an opinion in which he predicts that the courts might hold that the premiums derived from residents of California under a group contract executed by a California insurer in another state are taxable. The opinion was rendered in response to an inquiry by the state board of equalization.

The contract in question was a group life and disability contract entered into at Kansas City, Kan., with a labor union.

Under date of June 30, 1941, the insurer entered into a contract with the union. The union made it a condition precedent that the contract be a contract made in Kansas, and, in its effect and interpretation, subject to the laws of Kansas and to the approval of the department of that state.

"It appears," the attorney general states, that notwithstanding the fact that the contract was made and is to be performed at Kansas City, Kan., that portion of the gross premium receipts derived from residents of California is taxed by your board and has been, since the making of said contract, returned by said insurer in its California tax return. As to the gross premiums derived from California residents, the state of Kansas does not include such receipts for taxation purposes.

"In view of the admitted fact that the group contract before mentioned was made and is to be performed in Kansas, it is my opinion that your board may not tax that portion of the premiums received by the insurer thereon which are not derived from residents of this state. The case of *Connecticut General Life vs. Johnson*, 303 U. S. 77, clearly establishes the law that a state taxing authority may not tax business transactions beyond its borders.

"In view of the peculiar wording of the group contract in respect to the issuance by the assured of individual certificates to its union members, it is possible that the coverage of such members resident of this state would be construed by our appellate court as constituting business done in this state and therefore justify the tax on that portion of the business of said insurer under the group contract in question."

Egloff Talks in Detroit on Retrospective Rating

DETROIT—The problems of retrospective rating were discussed before the Detroit Association of Insurance Agents by J. H. Egloff, Hartford, agency field supervisor of Travelers. He said the present method of arriving at the cost of insurance for casualty lines by stock companies has greatly reduced the advantage in certain cost figures which the mutuals heretofore had offered to insured. He pointed out that the stock company initial premium would in some cases be lower than that of the mutual competition now.

He noted a distinct trend away from self-insurance on the part of industry, and declared that in his opinion possibly 50% of the risks that were self-insured a few years ago are now covered by insurance. He said that in these times of manpower shortage many large companies have found that it is distinctly to their advantage to change from self-insurance to capital stock protection. He urged all agents to make a close study of the experience of their clients and he predicted that much coverage will be will be recaptured by stock agents under present conditions.

uality of Des Moines Nov. 1, to assist J. R. Owens, head of that department, who was for many years with Fidelity & Deposit in Iowa.

Employers Mutual began writing fidelity and surety in May, 1942, and so far has confined its writings almost exclusively to Iowa, although it is writing some fidelity business outside that state.

Uniform Policy Form Test in A. & H.

(CONTINUED FROM PAGE 52)

law or in equity is less than that permitted by the law of the state in which the insured resides at the time this policy is issued, such limitation is hereby extended to agree with the minimum period permitted by such law."

A policy, if designed to be renewed or continued, should include a provision clearly setting forth the conditions upon which such renewal or continuance may be effected.

Such provisions should include a statement to the effect that "no provisions of the charter, constitution or by-laws of the insurer shall be used in defense of any claim arising under the policy unless such provision is incorporated in full in the policy."

As the standard provisions specify the time limit for filing proofs, no contradictory clause should be used to limit the time for presenting reports of continuance of disability, or doctors' or other bills which may be covered by the policy.

Exceptions and Reductions

The standard provisions law as adopted by many of the states, contains provisions relative to exceptions and reductions substantially as follows:

"Such policy shall not be issued or delivered to any person in this state:—"

"Unless the exceptions of the policy are printed with the same prominence as the benefits to which they apply; or

"Unless, if any portion of such policy purports, by reason of circumstances under which a loss is incurred, to reduce any indemnity to an amount less than that provided for the same loss occurring under ordinary circumstances, such portion is printed in bold face type and with greater prominence than any other portion of the text of the policy."

Definitions

An exception is any provision in a policy whereby coverage for a specified hazard is entirely eliminated. In other words, an exception is a statement of a risk not assumed.

The following are examples of exceptions:

"This insurance does not cover hernia; war; outside of the United States," etc.

A reduction is a provision which takes away some portion, but not all of the coverage of the policy under certain specific conditions. In other words, a risk of loss is assumed by the insurer but payment upon the occurrence of such loss is limited to some amount or period less than would be otherwise payable had such reduction clause not been used.

The following are examples of reduction clauses:

The first sentence of the long form of standard provision 1; optional standard provision 17; and 19: "Liability for hernia shall be limited hereunder to one month" (where policy provides indemnities for longer than one month for other conditions).

Use of Exceptions and Reductions

It is recommended that the exceptions and reductions in a policy comply with the following:

1. An exception will be considered as being printed with the same prominence as the benefit if it is printed with the same size and style of type as is used in the benefit provision and appears as a part of or immediately following the benefit provision to which it applies.

2. If the exception is not a part of or does not immediately follow the benefit provision to which it applies, but appears elsewhere in the policy, then the exception shall be printed with the same point and style of type except such type shall be in bold face.

3. A reduction is printed in greater prominence if it is printed in a larger point bold face type than the text of the policy or the exceptions, except in the case of (1) above, the same size type but in bold face will be satisfactory.

4. The text of the policy must not be printed in less than 10 point type and when 10 point type is used, the exceptions must be printed in 10 point bold face type and the reductions in 12 point bold face type, except in the case of (1) above, where 10 point light face type shall be used for stating the benefits

and the exceptions, and 10 point bold face type for the reductions.

5. Uniformity in make-up and typographical appearance of the policy is desirable. Obtaining of greater or lesser prominence by using different styles of type, boxing, indentations, spacing, etc., is not recommended.

6. Certain exceptions—causal connection.

Where a policy contains exceptions that reduce or entirely relieve the insurer of liability when loss is sustained while violating law, while intoxicated or during riots, etc., such exceptions must be so drafted as to reduce or eliminate the insurer's liability only where there is causal connection between the thing excepted and the loss. The principle involved in the foregoing type of exceptions does not apply in exceptions such as "while outside of the United States," "while in military or naval service," etc., and no causal connection need be incorporated in this type of exceptions.

7. Military or naval service.

If the policy excepts coverage while the insured is in military or naval service, the policy must provide for a refund of pro rata unearned premium at the request of the insured for any period the insured is not covered. However, if coverage is excluded only for loss resulting from military or naval service or war, the refund provision will not be required.

8. Chronic disease.

An exception which excludes liability for "chronic disease" from a sickness policy will not be permitted. Diseases sought to be excluded from coverage shall be stated with sufficient clarity so as to be readily identifiable. Terms such as "heart disease," "pulmonary disease" or "venereal disease" are acceptable.

9. Occurrence of loss cancels policy.

A provision that the occurrence of any loss covered by the policy cancels the policy as to losses from injuries thereafter occurring is an exception.

10. Particular reductions. (The particular reductions herein outlined constitute a partial list for illustrative purposes only and they do not include the standard provisions reductions.)

(a) Covered as sickness—If a combination accident and health policy provides that losses caused by hernia, sunstroke, freezing, or, injuries where there are no visible marks, contusions, wounds, etc., shall be considered only under the sickness provisions of the policy, then such provisions constitute reductions assuming that the sickness provisions are less favorable to the insured than the accident provisions. The sickness provisions are less favorable than the accident provisions if the rate of indemnity is less for sickness than for accident, if the total period of time for which the insurer provides indemnity is less for sickness than for accident, if confinement to house and treatment therein are required for sickness and not for accident, etc.

(b) Reduced benefits for certain sicknesses or accidents—If a policy pays smaller indemnities or for shorter period of time for certain named diseases or for certain named types of accidents or injuries, than would otherwise be payable, then such provision is a reduction and shall be printed with greater prominence.

(c) Reduced benefits because of age—A provision for payment of only a percentage of the full benefits while the insured is under or over certain specified ages is a reduction and shall be printed with greater prominence.

(d) In lieu of—If the policy provides for payment of a specified amount in lieu of any other payment under the policy without giving the insured the right of election, which specified amount might be less than the maximum amount that would otherwise have been payable under the policy had the "in lieu of" provision not been included, then such a provision is a reduction and must be printed with greater prominence.

(e) Elective indemnities—schedule of operations, etc.—If specified amounts are printed in the policy as being payable for certain types of injuries or operations, and there is included a provision that the amounts so shown apply if the policy monthly indemnity is for example \$100 per month, and the specified amounts are to be reduced in proportion

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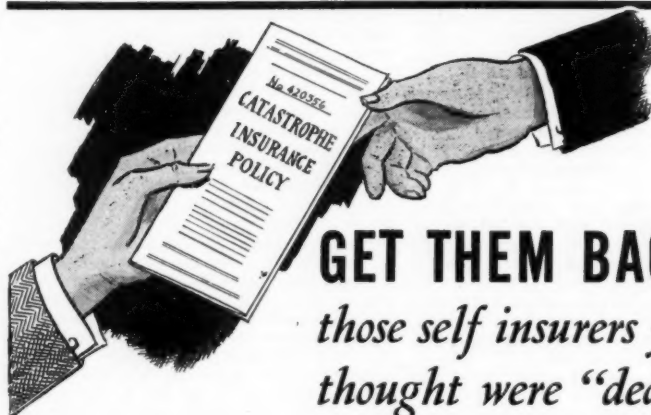
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Direct contracts available for conservative
and successful agents in Indiana, Missouri,
Nebraska, Colorado, Oklahoma and
Tennessee.



GET THEM BACK —
those self insurers you
thought were "dead"

"Excess" coverage policies make them "hot prospects" again

Go back to those self insurers you marked off your list. You've something everyone of them will listen to with interest when you talk "Excess" coverage.

No matter how big the company that "once-in-a-million" accident—that unexpected catastrophe can jolt them hard.

With our years of specialization

in "Excess" insurance to back you up, you can reopen every case you ever had that went self insurer. Each contract is handled as though it were the only one we were writing—a policy is tailored to fit the need precisely. Each contract is underwritten by prominent underwriters. Let us help you get this profitable business.

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Headquarters for "OUT-OF-THE ORDINARY" Contracts

Just as the American people have raised more food than ever with their war gardens so can the American insurance agents materially increase the fidelity bond business whenever they decide they want the commissions. A good garden tool is the fidelity bond service of The Travelers Indemnity Company, Hartford, Connecticut.

If the monthly indemnity is less than \$100 per month, then such provision is a reduction and must be printed with greater prominence.

11. Captions.

Except in the case of (1) above, the exceptions and reductions (other than standard provisions) should be placed in a paragraph or paragraphs following the coverage provisions and preceding the standard provisions and be clearly captioned, i.e., "Exclusions" or "Exclusions and Reductions" or "Not Covered" or "Reductions" or "Exceptions" or "Reduced Benefits," etc. Separate paragraphs may be used for exceptions and reductions if each paragraph is appropriately captioned. Exceptions or reductions shall not be included under captions such as "Miscellaneous Provisions" or "Additional Provisions" or "General Provisions."

There are also some recommendations as to character and size of type of accident and health policy forms.

PERSONALS

Chase M. Smith, counsel for the Kemper companies, acted as moderator in a question and answer program entitled "Federal Information Please," during the speaking portion of the annual banquet of the Illinois State Chamber of Commerce in Chicago. The panel consisted of United States Senators Hatch, New Mexico; Ball, Minnesota, and Congressmen Dirksen of Illinois and Coffey, Washington.

Arthur C. Bohen, treasurer of Preferred Accident, will be in Chicago this week end to confer with Walter H. Clahan, vice-president and manager of the Chicago office, and with Ray C. Anderson, southern California manager, Los Angeles, who has been visiting his family home at Rockford, Ill.

A. Duncan Reid, former president Globe Indemnity, is confined to his home at Glen Ridge, N. J., with a serious illness.

DEATHS

Head of Massachusetts Protective Group Dies

William C. Johnson, 67, vice-president, actuary and director and the real guiding force back of Massachusetts Protective, Massachusetts Protective Life and Paul Revere Life, Worcester, Mass., died in New York City. He was born at Sag Harbor, N. Y., and became general agent of Phoenix Mutual Life in New York City, serving from 1901 to 1910. He was vice-president and general manager of Columbian National Life, 1911-1915, and inspector of agencies of Equitable Society from 1915 to 1918, when he became vice-president and actuary of Massachusetts Protective.

Prepares Reform Laws

In the Hughes investigation in New York in 1905, Mr. Johnson represented a number of insurance groups at the hearings, and participated in the preparation of the reform insurance laws adopted as a result.

He was one of the pioneers in the use of the non-medical plan in connection with life insurance and one of the most active and aggressive proponents of

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Special Agent, Casualty and Surety for Northeast Ohio—old stock company. Permanent position—good opportunity for advancement. State age, experience, draft status and salary expected. Address T-32, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE

Well versed insurance man with 15 years' experience. Has held executive position. Prefers agency connection, salary plus profit participation. Age 40, married, two children. Address T-34, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

non-cancellable accident and health insurance.

Herbert F. Sharman, manager at Memphis for American Surety and New York Casualty, died following a long illness. He was born at Wellingboro, England, in 1881, and his family came to this country in 1886. He attended the University of Cincinnati and went with American Surety in Cincinnati in 1908. He had been manager at Memphis since the office was established in 1911.

Michael Hartzheim, 82, president Wisconsin Mutual Plate Glass since its organization in 1898 and treasurer of Wisconsin Hail & Cyclone, Juneau,

Wis., died at a hospital in Fond du Lac from complications following a major operation.

George F. Normile, 59, for 15 years safety engineer for Employers Mutual Liability, died in a Milwaukee hospital after an illness of eight weeks.

Proposes Uniform Auto Fleet Rating Plan in Ill.

C. M. Kinney, head of the rating division of the Illinois insurance department, has solicited the opinion of automobile insurers on a proposal for a gen-

telmen's agreement to observe a plan of rating of automobile fleets that he outlined. What he proposes is a basic set of rates and a series of credits and debits under a uniform experience rating plan. If such a plan were adopted, he said, the department would no longer require the filing of equity rates for automobile fleets. Instead it would investigate any alleged violations.

W. J. McDonnell has been elected vice-president of Metzger-Gongwer-Metzger, Inc., Cleveland agency. He has been with the agency for 10 years, and was previously connected with U. S. F. & G. for 17 years.

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Comprehensive POLICY

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The trend toward comprehensive and blanket coverage brings substantial extra business to agents of Central Surety.

Increased coverage with fewer policies.. this result is achieved easily, conveniently, profitably, through Central Surety facilities.

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R. E. McGINNIS, President

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CHICAGO

NEW YORK

B. D. O. Pattern for Production

(CONTINUED FROM PAGE 43)

He notes in the ledger the treatment given each account. The third month he sends the second letter: "This is our second request for payment of the insurance premium amounting to \$—, which policy was written in August. We must ask that this bill be paid by the 10th of the month." The third letter, sent shortly thereafter, reads, "Usually when an insurance premium is not paid there is a very good reason, and very often we are able to help work out the problem and keep the insurance in force. We have written you twice before regarding payment of the premium which was due in August, and asking if you would not either pay something on account or tell us when we can look for payment. If you do not tell us how we can cooperate we have no other alternative but to cancel the insurance. We hope you will not make this necessary and that we may hear from you within the next week."

In the meantime, Mr. Lazenby tries to see assured. There are certain customers who have to be seen to collect a premium. He keeps those on his desk and makes periodical calls. In a small town it is frequently necessary to treat the customer as he wants to be treated. Mr. Lazenby has a clear understanding with insured whose account is too small to justify going after that if he will not send the premium in promptly Mr. Lazenby does not want his business. Mr. Lazenby does not believe that the agent can profitably collect premiums of less than \$20. The insured can be educated to send the money in or the agent is better off without his business.

If there is an understanding with assured at the time the policy is sold, future trouble can be avoided. Mr. Lazenby finds that the rule of not delivering \$5 premiums, except for cash, is not satisfactory. His community is

a rural one and it is often impossible for the customer to get into the office with his money before the policy is issued. The agent can soon learn who is a good customer and who is not and if the \$3 and \$5 premiums are not paid within 30 or 60 days it is quite easy to issue cancellation notices as the agent reviews his accounts each month. He believes small customers are just as much entitled to insurance service as the large ones.

SMALL POLICIES

The practice of C. O. D. for small policies in some localities is undoubtedly necessary but the individual agency and customer must be considered. While there is no profit on the very small premium account, Mr. Lazenby pointed out the agency spends many dollars and many hours developing good will and one offended small buyer can spoil a lot of it.

In a small agency, it is wise for the one who makes the sale to make the collection. In the first place, Mr. Lazenby said, he is familiar with the details of the transaction. His income depends on the amount of paid insurance he sells, and a good agent often can make a delinquent account into a larger, good account by working out a program of payment. Mr. Lazenby long ago concluded that the 2,500 accounts which he has in his office constitute enough customers and that his growth depends largely on increasing the volume per customer and not so much in putting new customers on his books.

While admitting that the sales possibilities opened up by premium financing are manifold, Mr. Lazenby said that he has found it generally unnecessary in

his own agency, though he has used it on occasion.

Mr. Lazenby is a past president of the Maryland association, and during that time he met a number of agents and attended a number of meetings over the state. He said he was astonished by the lack of knowledge which the small town agent manifested in coverages. Too many of them worked on the principle of getting the most for the least effort.

He said he wished that the phrase,

"I give him my insurance," could be erased from the vocabulary of insurance buyers. The agent is not the recipient of a gratuity, although many are not equipped to give customers the benefit of good insurance advice.

Because he has his accounting and collection procedure simple and well organized, Mr. Lazenby said that he was free to come and go as he pleased in the matter of selling. Collections can be put to good advantage in selling and promotional work, he added.

How to Service Personal Accounts

Frank S. Wilkinson of Wilkinson, Bullock & Co., Rocky Mount, N. C., in discussing the servicing of personal insurance accounts said that in his town of 26,000 without many large industries, a large proportion of his premiums must come from personal accounts.



F. S. Wilkinson

Realizing that it is difficult to service personal accounts beyond a certain point, Mr. Wilkinson's office has tried not only to give efficient service but to make the customer feel that, no matter how small his business is, it is appreciated. There are six employees and two others employed by the building and loan association in the office. With the exception of the policy clerk and the bookkeeper, all are at desks where they can see and be seen by the customers as they come in. Each employee makes it a point to wait on his customer as he enters.

There is a plaque on the wall which reads, "Everyone who writes, telephones, or calls upon us provides an

opportunity to render a service and build good will." This, in effect, is what the Wilkinson agency tries to do, he said.

The agency writes a great deal of farm business and has a farm man, one who was born and reared on a farm and who still farms as a hobby, he said. He is well equipped to answer the farm customer's questions and give advice. If the customer wants to know where he can purchase some particular article, the farm man helps him and, incidentally, tries to purchase it for him from another customer of the office.

There is a real estate and rental department, he said. If a customer wants to know where he can locate a carpenter or a plumber, the agency has one to send him to. If a customer wants a check cashed, a paper notarized, his house repaired, his gas ration application completed or practically anything except his income tax return completed, those in the agency are there to help him.

Advertising Small Policies

Since it is financially inexpedient and physically impossible to deliver and discuss the many small policies as they are renewed, the agency tries to familiarize its customers with new coverages by advertising literature, sales letters, and

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is the first essential of real progress. The Manufacturers Companies, writing nearly every form of insurance (except Life) provide Bridges of many kinds to span the gaps of Financial Loss.

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Casualty Insurance Company • Fire Insurance Company
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INSURE VICTORY—
BUY WAR BONDS!



The
BRIDGE OF FINANCIAL RESTORATION

Manufacturers Casualty
Insurance Company

personal contact when they come in the office, Mr. Wilkinson added. When the new residence theft policies came out, the agency telephoned all of its customers who had the old type policy and changed every one of them to the new, broader form. By calling others' attention to this new coverage, it sold fifty new policies in one month. With each new residence burglary policy sold, it has placed one more stepping stone to make it easier to sell these customers a personal property floater.

By calling attention to the lack of extended coverage insurance on all invoices accompanying fire policies, this broader coverage has been added to practically all of policies covering dwellings, he said. If a policy is written for one year, the three year rate is always quoted when mailing out renewals, and the response to this has been very gratifying.

Use of Claim Service

Courteous and efficient claim service wins many new friends, he stated. Someone in the office handles all claims of less than \$100, and in most cases has assured sign the receipt at the same time he signs the proof of loss. The agency gives him its check and has the company reimburse it. Handling small claims in this manner disposes of them quickly. On larger claims the agency uses the very capable independent adjuster who maintains an office in the city. When a larger claim is reported to it, he is called immediately and the company involved notified that the loss has been referred to him. This often saves many days delay and invariably impresses assured with the agency's service. On casualty claims the agency uses its attorneys and one of the agency's talking points to a client is that this firm of attorneys is available to him day or night. If he has an automobile liability claim, he does not have to wait

for an out-of-town adjuster. His adjuster is a local man, his friend and neighbor.

Nothing is quite so embarrassing to an agent as to have a customer check on his rate and find that he is entitled to a reduction which he has not received, Mr. Wilkinson commented. It takes some quick thinking to explain why he has not received a credit to which he is entitled. Of course, sometimes blanket reductions are made effective and it takes time to endorse all eligible policies. The agency watches rate changes carefully, receiving two copies of each rate slip, one for checking purposes and one for insertion in the rate book. Sending assured a check for a return premium of which he is unaware makes him realize that the agent is vitally interested in serving him. This is the psychological moment to sell him other coverages if he needs them.

Unusual Service on Farm Business

In advertising and personal contacts the agency tries to let assured know it is working for them; that in order to earn its commission, which is ultimately paid by the customer, it must provide them with the best protection their premium will buy.

More work is needed, however, on bringing to the attention of assured

types of coverage he needs, increased values, etc.

Mr. Wilkinson's agency has found one special service it renders works like a charm. When it insures a farm that has as many as four or five buildings, it furnishes a very clear and attractive diagram in triplicate, showing the description of the various buildings, assigns a number to each, and notes the amount of insurance carried on each. Item numbers in the schedule attached to the policy agree with those shown on the diagram. The original of this diagram is delivered to assured and the other copies are attached to the daily reports. This not gives the customer, the agent, and the company a clear picture of the insurance coverage and avoids confusion, but impresses the customer, as he feels that he has received some special service.

To facilitate the financing of small premiums, the agency prepared and had printed a very simple installment note, he said. It is flexible, and the agency can arrange the payments to suit the customer. These notes are held by the agency and the interest more than pays for the office detail work involved.

When fire extinguishers became scarce and only available to those having a priority rating, the agency decided to try to locate some good second-hand

ones, he said. It advertised in the local paper for used extinguishers and purchased practically all of the available 2½ gallon extinguishers in town. The agency is letting its customers have them at cost. This has not only resulted in new business, but has shown present customers that the agency has their interest foremost and when it says "service," it means just that.

"We were disturbed at the number of our younger customers who were going into the armed forces and cancelling their personal insurance," Mr. Wilkinson said. "It was evident that when they returned to civilian life they would have to be resold, and we wanted them to feel we were still their insurance agent. We wished to avoid anything that smacked of advertising, so we decided to send each a Christmas present. A thousand packages of good razor blades were purchased and packed 10 to the box. We sent these to 100 customers in the armed forces all over the world with a card, written in longhand, reading 'Merry Christmas from your Insurance Agent, Wilkinson, Bullock & Company.' I wish you could see some of the many letters of appreciation we received."

Servicing personal accounts presents a different problem in each locality, but fundamentally the problem is the same.

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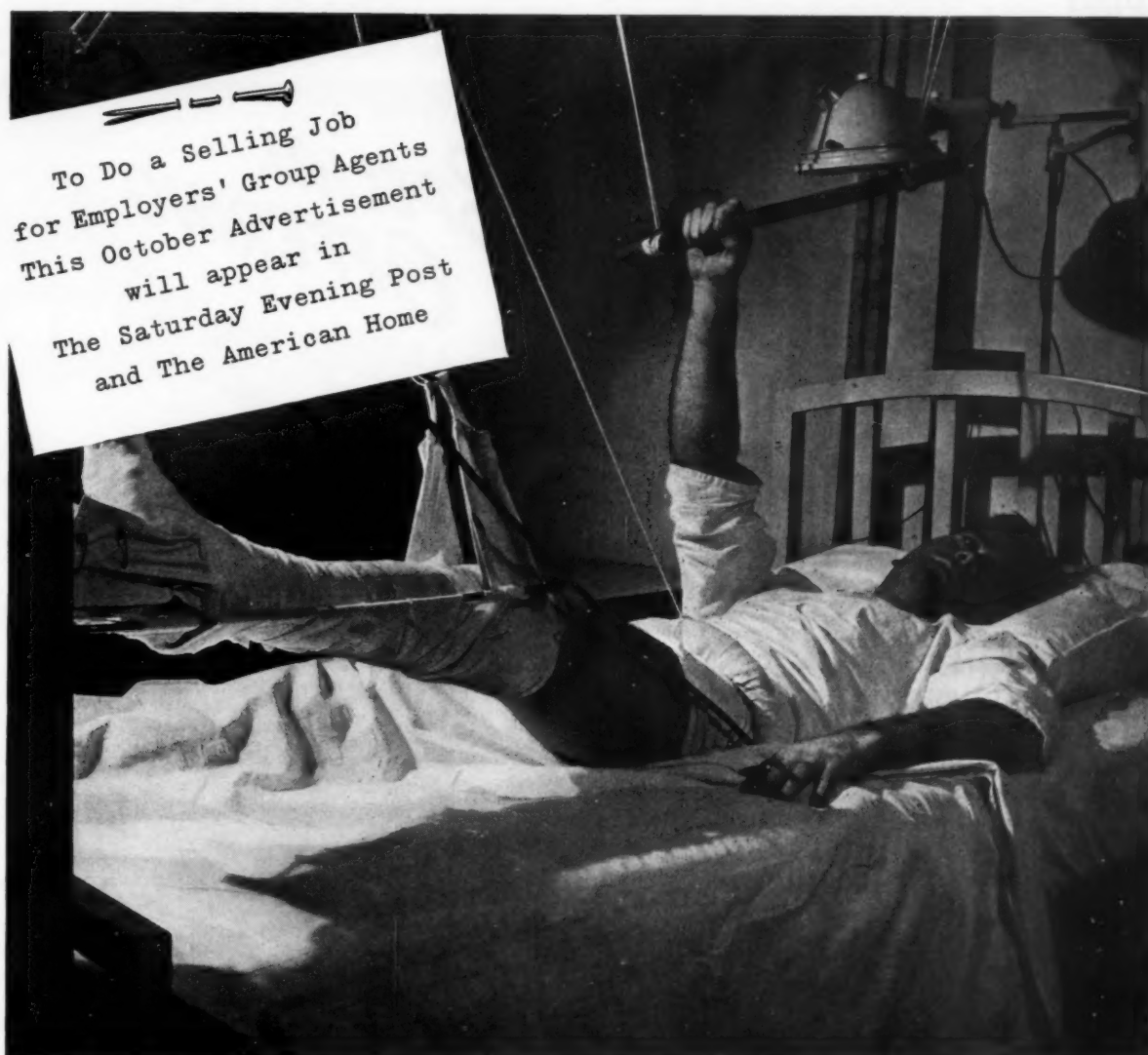
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Continental
CASUALTY COMPANY
CHICAGO, ILLINOIS

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The Leg that kicked the Agent out the door

"Tell him I'm busy. Tell him I'm out. Tell him anything. An insurance agent is the last person on earth I want to see today."

How many busy men and women have said just that, only to have an accident later and to lie in pain, thinking about the bills and how they could have been paid by the man they wouldn't see?

It's an unfortunate fact... many persons can't see the need for insurance until *after* the accident. Lessons, thus learned, are costly.

A better way... a way that costs nothing... is to talk with *The Man with the Plan*, your local Employers' Group Agent. Let him sit down with you at your leisure, and show you how to protect your vital income in case of accident. Let him explain all the different

kinds of Employers' Group Accident Policies, particularly the new, low-cost *Family Policy* which covers hospital and surgical expenses for accidents to any member of your family.

Remember, *The Man with the Plan* is not a high-pressure salesman. He is a highly competent insurance counsellor... a specialist in giving freedom from worry over loss. He thoroughly analyzes your protection and needs. He gives you, absolutely free, a complete personal *plan*... in handy book form... which guides you in buying proper fire and casualty insurance for your home and all its members.

Call *The Man with the Plan* today. He is your local representative of The Employers' Group... a group of three of the most progressive fire and casualty insurance companies in America.

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Fire and Casualty Insurance,
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THE EMPLOYERS' GROUP MAN IS THE MAN WITH THE PLAN

COMPANIES

U. S. F. & G. to Increase Capital

A special meeting of stockholders of U. S. Fidelity & Guaranty will be held Oct. 29, at which time there will be submitted a resolution adopted by the board declaring it advisable that the charter be amended to increase the par value of the shares of capital stock from \$2 to \$10, to be accomplished by transferring \$8,000,000 from surplus to capital. That would give it \$10,000,000 capital. If the proposal is adopted the net sur-

plus will be \$12,801,250 instead of \$20,801,250. The latter item represents a total of surplus and undivided profits heretofore carried separately. There will be no difference in the surplus to policyholders.

The resolution of the board also recommends that the charter be amended so that the annual meeting of stockholders may be held at a time to be fixed by the by-laws.

Peerless Casualty in Washington

Peerless Casualty, which recently appointed Cravens, Dargan & Co., Pacific Coast general agents, completed its entry into Pacific Coast states when it was admitted in Washington. The company had already entered California and Oregon.

Martin Lewis Confers with Agents' Surety Unit

PITTSBURGH—Martin W. Lewis of New York, president of the Towner Rating Bureau, conferred with members of the National Association of Insurance Agents surety committee during the Pittsburgh meeting. R. W. Thompson of Dallas, president National Association

of Surety Bond Producers, who is a member of the N.A.I.A., was also present.

Miss Francis Kipke, for many years with the Massachusetts Bonding in Kansas City, has been appointed superintendent of the surety department of U. S. F. & G. there. Miss Opal King succeeds Miss Kipke.



**"NOBODY'S
GOING
TO SUE
ME"**

**THAT'S WHAT THEY ALL SAY
WHEN TOLD ABOUT THE DANGERS OF THE SO-CALLED
"DRAM SHOP" LAW**

NOTE THE RECORD OF SUITS

AGAINST OWNERS OF BUILDINGS IN WHICH LIQUOR IS SERVED, AND ALSO THE TAVERN KEEPER SINCE THIS DRASTIC LAW BECAME EFFECTIVE—YEAR 1934

SUITS FILED IN THE STATE OF ILLINOIS

\$100,000 or Over	More than 50
50,000 or Over	More than 150
25,000 or Over	More than 175
10,000 or Over	More than 250
Less than \$10,000	More than 150

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COOPERATION is "the American Way!"

It's paving the way to Victory!...eager cooperation between the men who fire the guns, and fly the planes, and sail the ships...unstinting cooperation between men in uniform, and men and women in overalls and aprons...faithful cooperation between the fighting front and the home front.

COOPERATION long has been a reason why foremost insurance companies rely on "AMERICAN RE." Your company, too, will prefer "the American Way."

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TO AGENTS AND BROKERS!

A NEW FOLDER ON A NEW POLICY!

COMPREHENSIVE COVERAGE!

IT'S SALES PROVOKING!

IT'S TIMELY!

IT'S NEW!

YOU'LL find everyone a prospect for this complete low cost protection. They will like the personal and residence comprehensive liability feature which can be extended to cover private automobiles in the same policy.

Write today for these dramatic sales provoking pamphlets to help you present this new type of coverage quickly and effectively.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Kansas Agents' Program for Annual Meeting

The Kansas Association of Insurance Agents has announced the program for its annual meeting, which it styles this year a "war conference," to be held at the Jayhawk hotel, Topeka, Oct. 28. F. R. Fair, vice-president, Mankato, Kan., is chairman of the program committee.

Registration will start Wednesday afternoon. The past presidents will hold a dinner and there will be Dutch lunch stag with entertainment by the Underwriters Laboratories. President Edwin Nellis, Topeka, will open the formal meeting at 8:30 a.m. Thursday. After the usual preliminaries, Mr. Nellis will present his report. Milton W. Mays, B.D.O. director, will be moderator at a panel discussion on "Bridging the Commission Gap." War damage insurance will be considered and then R. D. Voss, Omaha manager Stock Company Association, will review the H.O.L.C. situation.

New rate forms and changes will be explained, with Laurus Magill, assistant manager Kansas Inspection Bureau, as panel leader. Victor G. Henry, Wichita, state national director, will report on the Pittsburgh meeting of the National association. The Case and Priest awards will be announced, resolutions adopted and officers elected. Commissioner Hobbs will speak at the dinner.

Dr. David L. MacFarlane, chairman Kansas board of social welfare, will be the speaker at the annual banquet.

Iowa Bars Insurance Coercion

DES MOINES — Lending agencies that use "coercion" on borrowers, forcing them to buy fire and automobile insurance from the lending agencies, face loss of their licenses, Commissioner Fischer has announced.

Mr. Fischer said the borrower has the privilege of securing his insurance from an agency of his own choice and that the lending agency cannot require him to buy it through that agency. He said the department had received numerous complaints, both from agents and insured, complaining of coercion used by some of the lending agencies. In some cases the agencies required the borrower to cancel insurance he already had on his property and take out the insurance through the agency.

Revises Qualification Issue

ST. PAUL—The agents' qualification issue apparently has not been shelved in Minnesota as Commissioner Johnson has asked the Minnesota Association of Insurance Agents to name a committee to confer with him on the subject. Presumably other groups also will be asked to name committees for this purpose.

Changes in Evansville Agencies

A. V. Cain has been appointed assistant general manager of the Interstate-Greene & Greene agency, Evansville, Ind. John T. Rimstidt is general manager. Mr. Cain was assistant manager of the Interstate Agency prior to its affiliation with Greene & Greene. H. Q. Lowe, formerly with Travelers in Indianapolis, will manage a new life, accident and group department opened by the agency.

James M. Jones, for 24 years manager of Greene & Greene, has become manager of the insurance department of the Franklin Bank & Trust Company.

Beling in Cincinnati

CINCINNATI—Members of the Cincinnati Fire Underwriters Association

had the opportunity of participating in six hours of lecture and discussion on the subject of profitable agency management on the evenings of Oct. 5 and 6, when Oscar Beling, superintendent agency systems department of Royal-Liverpool, was lecturer and discussion leader. The sessions were part of the N. A. I. A. fire and casualty insurance course being conducted by the University of Cincinnati and sponsored by the Cincinnati association's educational committee.

Priorities Assumption in Iowa

DES MOINES—The priorities assumption clause for use and occupancy, rent, extra expense and other coverages involving a time element has been put in force in Iowa. The usual 100% increase in premium is required for its use.

The priorities exclusion clause was put in force in Iowa about the same time as in other middle western states, with the option of a 100% increase if it were not used, but until now Iowa has not had a specific assumption of aggravation of loss under these contracts caused by government orders or regulations interfering with rebuilding, labor or materials.

Award Omaha Hospital Line

OMAHA—The county board has awarded a contract for \$54,000 fire insurance for five years on the contents of the county hospital building to the W. K. Cameron, Western Securities Company and Calvin Wiig agencies. All three agencies represent General of Seattle.

New Courses in Omaha

OMAHA—Sponsored by the Omaha Association of Insurance Agents and Omaha Association of Insurance Women, four new short courses designed to meet the needs of insurance agencies and their employes have been announced by the University of Omaha in connection with evening adult educational classes. Paul King will be in charge of accident and health insurance; Gordon Church, marine insurance; W. C. Gehrt, boiler and machinery, and Albert May, state insurance laws.

The Houghton County (Mich.) Association of Insurance Agents has endorsed the bills in Congress to exempt insurance from application of the anti-trust laws.

Dan Thomas, who until recently was associated with the East Minneapolis Agency, has taken temporary charge of the H. C. Borhus agency in Minneapolis. Mr. Borhus died early this month.

Hoosier Returns

Barrett M. Woodsmall, who has resigned as executive vice-president of the American Service Bureau in Chicago, will become executive vice-president and general manager of the H. H. Woodsmall agency of Indianapolis of which his father is president. Barrett Woodsmall was associated with that agency from 1924-30 and was secretary of Union of Indiana which was owned by the Woodsmall interests at one time.



B. M. Woodsmall

PACIFIC COAST AND MOUNTAIN

Subrogation Suit for \$652,573 Filed in Seattle

SEATTLE—A subrogation action has been filed in King county superior court by insurance companies on behalf of the Johnson Manufacturing Company, against the Nettleton-Baldwin Co., for \$652,573 as the result of a fire loss which destroyed both plants here May 30.

Ignored Notice to Vacate

The complaint, filed by Clarke & Clarke and Rummens & Griffin, attorneys, alleges that the Nettleton-Baldwin Co. ignored an official notice to vacate their plant because of fire hazards which the firm failed to correct. It is charged that the defendant had been repeatedly warned of specific fire perils in its plant and that the Nettleton-Baldwin Co. admitted that the conditions existed and had agreed in writing to correct them. Subsequently, when violations of city ordinances were not corrected, the notice to vacate was posted.

It is charged that in spite of the notice, the defendant continued to manufacture prefabricated huts. The fire originated in the Nettleton-Baldwin plant and spread to the Johnson Manufacturing Co., as well as the Western Mattress Co.

Eight specific proximate causes of the fire were cited in the complaint: The

Nettleton-Baldwin plant (1) was without division walls and automatic sprinklers (2) was without division compartments in attics or unfinished space between ceilings and roofs (3) had improper and non-standard electrical wiring (4) was without proper fire extinguishers (5) was without adequate hose lines and fire-fighting equipment (6) was littered with inflammable waste materials (7) was storing oil in casks and barrels (8) was without adequate watchman service.

Use of Equipment

The complaint further alleges that the Johnson plant's employees were prevented from using fire-fighting equipment because of the explosion of the oil drums and the burning oil which was sprayed on the premises.

Specifically, Johnson Manufacturing Co. alleges its loss to be \$301,723 for destruction to its plant, \$110,849 loss of patterns and stocks, and \$240,000 U. & O. loss. There was \$134,500 insurance on the Johnson buildings and equipment; \$250,850 U. & O. and a \$20,000 provisional stock policy.

New Wash. Rules Digest Published

SEATTLE—J. K. Woolley, manager Washington Surveying & Rating Bureau, has issued a new digest of rules and forms governing the writing of fire insurance policies in Washington.

A recent survey of tagged fire policies indicates the frequency of identical

Executives of Washington Association



A. J. Peters (left), new president of the Washington Association of Insurance Agents, is a native of Clinton, Ia., and established his agency at Issaquah in 1919. He acquired the C. R. Berry agency in 1932.

In addition to his agency work, he has established himself as an expert on state laws, regulations and taxes, including federal income taxes, and operates an extensive service along these lines, which has given him entree to a large volume of insurance business. He pioneered an agents' association in King county outside Seattle and was its president for two years. He was on the executive committee of the state association, and for several years served as chairman of the rural agents committee. He also served on the National associ-

ation's rural agents' committee.

Virgil R. Lee (right) newly-elected chairman of the executive committee of the Washington association, was born in Indiana and went to Washington as a boy. He started as a life insurance agent in 1923. In 1928 with T. M. Donahoe he formed the partnership of Donahoe & Lee, handling all lines of insurance. When Mr. Donahoe was appointed director of the state savings and loan division of Washington in 1935, the partnership was dissolved and Mr. Lee launched his own business.

He was president of the Lewis county agents' association and has been a member of the state association executive and governing committees. He has served as representative and senator from his district.

errors in rate or form, many of which may reasonably be classified as unnecessary, Mr. Woolley said in explanation of the reasons for issuing the new publication. In many other cases it is evident that the policy writer is not familiar with the use of advisory rate books and tariffs nor the rules governing forms, permits, clauses and warranties, he said.

Approximately 20% of all fire insurance contracts clearing through the stamping bureau require subsequent endorsing to correct errors. Therefore, it was decided that a digest of policy writing conditions might prove of value, particularly in the present emergency when any effort to conserve time appears to be in order. It is pointed out that the digest is not a substitute for the advisory rate books and tariffs, but represents an attempt to advise the policy writer more directly in specific situations, and particularly for the benefit of new personnel.

California Federation Holds Manpower Parley

SAN FRANCISCO—To hear the report of the special committee of the California Insurance Federation which, under the chairmanship of Charles C. Hannah, vice-president Fireman's Fund, has been keeping in touch with all phases of the manpower situation in the bay area, a special meeting of the federation was held here. In the absence of President Francis V. Keesling, president West Coast Life, Joy Lichtenstein, vice-president Hartford companies and vice-president of the federation, presided.

A resolution continuing the committee in force and commending it for its efforts was introduced by Arthur M. Brown of Edward Brown & Sons, following presentation of a comprehensive report by Mr. Hannah summarizing the committee's activities since its appointment last May. Mr. Hannah outlined the plan of the San Francisco manpower mobilization committee, urging cooperation and completion of forms prepared by that committee. Mr. Hannah made it clear that while uniformity is desirable there is no desire on the part of his committee to influence any office in arriving at a decision as to how it might operate most efficiently.

Other members of the special committee are: Charles Seeley, Rathbone, King & Seeley; W. W. Gilmore, London & Lancashire; Henry E. North, Metropolitan Life; R. L. Rowley, Johnson & Higgins; and J. G. Weber, Travelers.

Seattle Prevention Program

SEATTLE—The King County Insurance Association and Seattle home insurance companies joined with the Seattle fire department in staging a "Victory Square" fire prevention program. It was announced that \$2,055,858 in war bond sales was recorded for the day.

R. C. Jenner, president of the King County Insurance Association, was chairman. He called attention to National Fire Prevention Week and interpreted in terms of ships and armaments the total national fire loss. Other insurance speakers included Hawthorne K. Dent, president General America; and G. H. Thompson, vice-president of Northwestern Mutual Fire.

Insurance Attorneys Organize

LOS ANGELES—The Los Angeles Bar Association has formed an insurance section, with Joe Crider, Jr., Crider, Runkle & Tilson, as chairman and Henry Duque, Walker, Adams & Duque, vice-chairman, and Grant B. Cooper, chief

assistant insurance commissioner, as secretary-treasurer.

The new section is patterned after the A.B.A. insurance section and its work will be of a similar nature. It is expected the new section will develop innovations which will deal with local problems and which will be of greater interest and benefit to the local members of the bar.

F. U. A. P. Curtails Classes

SAN FRANCISCO—Because of a lack of sufficient enrollment and the shortage of employees in many offices, the Fire Underwriters Association of the Pacific has suspended its classes on general principles, fire II, casualty II, insurance office procedure and tariffs. However, the next session of the training classes for general office employees which has met with such outstanding success will start Oct. 18 and continue through the fall months. R. L. Countryman, association president, stressed that the classes had not been cancelled but merely suspended, and special classes will be offered as demand warrants.

Entertain at U. S. O.

SAN FRANCISCO—Service men at the U. S. O. Club here were guests of casualty company executives and employees at a special gathering. On the committee in charge were: J. D. Gillespie, United Pacific; George Adams, American Automobile; Charles Seeley, Rathbone, King & Seeley; M. F. Gruhn, Lumbermen's Mutual Casualty; and J. S. Richardson, vice-president Standard Accident.

Several weeks ago the Pacific Board sponsored a similar party.

Green Is Nominated

SAN FRANCISCO — Thomas E. Green, Hartford Fire, has been nominated for president of the Fire Underwriters forum. The annual banquet and election will be held Oct. 20. Jay W. Stevens, chief fire prevention bureau of National Board, is to be the principal speaker.

Other nominees are: Cecil M. Jones, Hinchman, Rolph & Landis, secretary; Percy F. Gardiner, Norwich Union Fire, treasurer; James A. Smith, Swett & Crawford, assistant secretary; and W. T. Seawell, Jr., Interstate Underwriters Board, directors. Mr. Seawell is now president.

Jack Helms, immediate past-president, formerly with the Fireman's Fund but now with the Office of Civilian Defense, is chairman of the nominating committee. Other members are: Walter Burk, J. E. Hughes, W. L. Linecker and E. R. Tilton.

NEWS BRIEFS

W. A. Groce, special investigator of the National Board, was elected secretary of the Washington State Firemen's Association.

F. W. Rogers, formerly with T. H. Mastin & Co. of Kansas City, has joined Arthur E. Campbell Co., Seattle. He has been in the adjusting field four years.

At a meeting of the San Diego Insurance Women Oct. 18, George H. Murch of the Barney & Barney agency will talk on "Comprehensive Liability." "Bosses night" will be held in November.

Colson's Exchange, Tacoma, Wash., local agency, has been purchased by Arthur H. Bassett, who is merging it with his own agency.

EASTERN STATES ACTIVITIES

Dangerous Fire Hazard in Me. Potato Warehouses

AUGUSTA, ME.—War Food Administration authorities are investigating fire hazards in the 6,000 potato warehouses scattered through northeast Maine. Maine's potato crop this year is about 70,000,000 bushels, 20% greater than in previous years.

Investigation by federal inspectors revealed that of the 6,000 warehouses, along railroad sidings and on farms, only about 700 were properly equipped with cast iron stoves for heating purposes, the approved type of heater for these structures. Although potato farmers have been given the minimum fire insurance rates for "protected" warehouses, it was found that in some 5,700 the heating was done with discarded oil barrels and old tins, creating a very dangerous fire hazard.

Difficult Situation

Commissioner Perkins of Maine, with insurance company special agents covering the northern Maine counties and company officials, were called into conference to seek some solution to the problem to safeguard the crop. Federal authorities have been insistent that proper cast iron stoves be used but only about 250 cast iron stoves have been found.

Vt. Agents' Head

A. W. Hawkinson, the new president of the Vermont Association of Insurance Agents, has been in the insurance business since January, 1914, when he joined the W. W. Sprague & Son agency in St. Johnsbury, which is his native town. Mr. Hawkinson in 1921 purchased a half interest in the Crawford Ranney agency and formed a partnership with George H. Morrill. On the death of Mr. Morrill in 1922, Mr. Hawkinson purchased that interest and has since operated under the name of Morrill & Hawkinson. He long has taken an active part in state association affairs.



A. W. Hawkinson

Worcester North Group Elects

TEMPLETON, MASS.—The Worcester North Association of Insurance Agents met in Templeton and elected Leo Reponen of Gardner as president; Courtland B. Fitch, Athol, vice-presi-

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dent; Lester H. Carter, Gardner, secretary, and Robert B. Greenwood of Winchendon, treasurer. Seven new agencies have been added to the association membership, which gives it practically 100% representation in the district.

Map Mass. Casualty Course

BOSTON—Casualty field men and underwriters who have been drafted to act as lecturers and leaders in the winter discussion course of the Massachusetts Association of Insurance Agents met here to receive directions from J. Lawton Whitlock, manager of Century Indemnity, chairman of the casualty committee of the association, and Robert M. Morrison, insurance attorney who has mapped out the course. The course will start in January and embrace as many cities as possible.

Plan Fire Prevention Drive

BOSTON—The fire prevention committee of the National Association of Insurance Commissioners, cooperating with the federal authorities in seeking better fire protection and fire prevention for non-defense work plants, has named Commissioner Harrington of Massachusetts as security officer for the Massachusetts district and Mr. Harrington in

turn has enlisted Percy Charnock of the New England Fire Rating Association to carry on for him.

The Bay State Club has pledged support in making inspections and a course of instruction to teach the field men how to do the work and fill out blanks will be set up. A special committee in charge of Mr. Charnock will supervise the work.

NEWS BRIEFS

The annual meeting of the Rhode Island Association of Insurance Agents will be held at the Crown Hotel, Providence, Oct. 25.

At the meeting of the Insurance Women of Pittsburgh Mrs. Ada V. Doyle, president of the National Association of Insurance Women, was a guest. The Insurance Women of Pittsburgh had complete charge of the registration of delegates to the N. A. I. A. meeting.

M. L. Galbraeth has opened his own office at 12 South 12th street, Philadelphia, operating under the trade name of Penn-Mar Agency. Mr. Galbraeth was formerly with another agency in Philadelphia in sales capacity for 4½ years and prior to that time had five years of varied insurance experience.

IN THE SOUTHERN STATES

New Florida Group Formed to Study Rating Situation

TAMPA, FLA.—The appointment of a committee by the Associated Industries of Florida to study the state insurance rating situation as applied to fire and kindred lines stems from opposition to an influence in favor of a state rating board, which proposition has fallen short of success in recent sessions of the legislature.

This rating board movement which originated on the lower eastern coast, is reputed to be in some measure political. For a dozen years an east coast group, legislative and otherwise, has supported attempts to pass a rating bill for the state that would place complete supervision and control of rates in the hands of one state official, which would have made a practical dictator of such officer in the control of fire and allied lines.

Fear Results of Move

Leaders of both company and agency groups have successfully combatted these efforts, believing that the results would be dangerous to insurance in the service of the public, and that those backing it are not informed as to what the consequences would be, nor, unselfish in their efforts, nor free from political purposes. At the end of the 1943 session Senator Ernest Graham of Miami secured the adoption of a resolution for a committee of five to investigate rates applying to fire and allied lines and to report to the 1945 assembly—so far this committee has not been named.

Midyette on Committee

Desiring no snap judgment, and providing for presentation of all the basic facts needed for safe and proper legislation if there is another rate making onslaught the Florida Associated Industries comes forward with its own research committee. Payne Midyette of Tallahassee, past president of the National Association of Insurance Agents, is a member.

Chairmanship of the state agency association's legislative committee for 12 years has given Mr. Midyette opportunity to know what is wholesome and safe in insurance protection. No man at all posted on the business in the state can doubt that the industry's group has brought to its councils the best posted man obtainable for protection of the safe and sound functions of insurance.

There is talk of an effort to attack some Florida insurance laws, on the ground that they are in effect violation of federal and state anti-trust statutes. So far nothing of this kind has been made public.

Insurance leaders contend that insurance business in Florida has done a fine job in service to the public, and has nothing to fear based upon its record.

Curtis Elected President of Richmond Exchange

RICHMOND—At its annual meeting Oct. 8 the Insurance Exchange of Richmond elected Warren F. Curtis of Boswell & Curtis president. Fergus A. Goodridge, retiring president, was named vice-president, in accordance with the usual practice of the exchange. Henry G. Coghill was elected secretary-treasurer to succeed Archer L. Richardson, who asked to be retired after holding that office for 23 years continuously. In appreciation of his service, he was presented a sterling silver pitcher, the presentation being made by T. Garnett Tabb of Tabb, Brockenbrough & Ragland. New directors are R. Stuart Cottrell, Jr., William H. Branch, R. Ashford Fennell and Archer L. Richardson. The exchange closed the year with a membership of 55.

NEWS BRIEFS

Bryan Bell Company of New Orleans is changing its name to Bell & Eaves. The present officers have been associated for 20 years and there will be no change in operations. Bryan Bell is president, J. E. Eaves, vice-president, J. H. Aldridge, vice-president, F. P. Huck, secretary and treasurer.

James L. O'Keefe, who has been identified with the local agency business in Richmond for half a century, was taken ill on the street there. His condition was found to be so serious that he was taken to Washington to be under the care of his son, Dr. Archie O'Keefe. In recent years he has been associated with the Richmond local agency of DeJarnette & Paul.

Deward E. Walker, manager of the Front Royal Insurance Agency, Front Royal, Va., and Miss Elizabeth Deatherage Eastham, secretary-treasurer of the firm, will be married Dec. 1.

Leaders in the field rely on the Accident & Health Policy Analysis Service. Write The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

Convention Dates

Oct. 14-15, Ontario Fire & Casualty agents, Toronto, Canada, Royal York Hotel.

Oct. 20, Maine Agents, Augusta, Augusta House.

Oct. 25-26, Ohio local agents, Columbus, Neil House.

Oct. 26-27, Massachusetts agents, Springfield, Hotel Kimball.

Oct. 25, Rhode Island agents, Providence, Crown Hotel.

Oct. 26-27—Indiana Agents, Indianapolis, Claypool Hotel.

Oct. 28, Kansas agents annual meeting, Topeka, Jayhawk Hotel.

Oct. 28-29, Wisconsin Agents, Milwaukee, Hotel Schroeder.

Nov. 4-5—Illinois agents, Springfield, Abraham Lincoln Hotel.

Nov. 15-17, California Association of Insurance Agents, San Francisco, Whitcomb Hotel.

Nov. 28-Dec. 1, National Association of Insurance Commissioners, midyear meeting, New York City, Commodore Hotel.

Jan. 11-12, National Association of Accident & Health Underwriters, winter meeting, Des Moines, Hotel Fort Des Moines.

Miss Emma Schoenlaub, for several years with Home in the Louisville field office, and before that for some years with the former Chapman Insurance Agency as office manager, has been transferred to Home's Des Moines office.

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MARINE

Laundry Losses Bring Complaints in Chicago

The Chicago Better Business Bureau has received hundreds of complaints against laundry and dry cleaning establishments with respect to the insurance coverage such establishments claim to carry. The bureau has asked the Illinois insurance department to rule on whether any insurance laws have been violated. The complaints state that the laundries and dry cleaners charge a fee for insurance, but actually purchase no coverage, and that where insurance is carried the policies do not cover loss of or damage to articles except by fire and theft. It is doubtful that the insurance laws cover the situation at all.

The Chicago situation recalls the recent Atlanta laundry fire in which thousands of bundles were destroyed. While the laundry allegedly had been charging a fee for insurance, no bundle insurance was carried.

Marine Coverage

The coverage generally in use in Chicago, written by marine companies, covers, against fire and lightning, earthquake, collision, theft, burglary and holdup, tornado, cyclone and windstorm, sprinkler leakage, flood, explosion, transportation, strikes, riots and civil commotion. Actually theft or shortage of individual pieces or articles is not covered unless the loss is occasioned by the burglary or holdup. Underwriters say that experience on the line in Chicago proper has been very unsatisfactory. Losses have been heavy, particularly small losses of the "pilferage" variety. One type of loss which some underwriters claim is causing them trouble is that of the laundry driver who works up his own route and contracts with a laundry to do the work. When he has difficulty collecting a bill, sometimes the bill is collected by the creditor making a claim against the laundry for loss of a \$20 or \$25 bundle, and this finds its way into the hands of the laundry driver.

Experience on the line for the middle west as a whole seems to be satisfactory.

Incidental Losses Not Insured

One of the reasons for complaints to the Better Business Bureau, that the insurance carried does not cover against incidental losses or damage to pieces in the laundry and cleaning processes, seems to arise from failure by the public to understand that insurers do not write that kind of protection.

Laundries and cleaners usually charge a service or insurance fee with each bundle, and from that amount purchase insurance or carry the risk themselves. If insurance is purchased, there is usually enough left over to take care of damage to articles in the laundry and cleaning process, and of items lost when put into the wrong bundle, etc. The insurers get a lot of pesky small claims under the theft coverage, underwriters report.

Losses Up on Truck Liquor Shipments

Companies writing inland marine business find that the loss ratio is increasing very materially on cargoes of liquor shipped by trucks. The price of liquor of all kinds has increased and there is a demand for it at bootleg prices. Many observers believe that thieves make a study of the lines that haul liquor and therefore they keep in touch with shipments and hack the trucks after they start out. Furthermore the truck managers are not so confident of the honesty

of their own drivers. They have had to employ new help and in many cases they feel that the drivers are probably cooperating with the thieves. Sometimes extensive shipments of liquor are made and the losses thereon are heavy.

Graphic Example of Need for Floater Cover

Since the disastrous wreck of the Congressional Limited and other railroad wrecks, together with the fire that swept through the train shed of the Pennsylvania Railroad at its Broad Street Sta-

tion in Philadelphia, there has been keener interest in personal effects insurance covering baggage. There were some 1,500 pieces of baggage that were destroyed in the Pennsylvania Station. Some people buy what is known as a traveler's floater and most get an all-risk personal property floater, which is far more satisfactory.

Distaff Group Meets Oct. 21

The Insurance Distaff Executives Association of Chicago will hold its first meeting of the season the evening of Oct. 21, at the Normandy House. The

new president, Mrs. K. L. Belcher, will report on her attendance at the national women's convention in Milwaukee.

The Southern California Fire Underwriters Association presented a fire prevention program before the Kiwanis Club at Whittier, Calif.

Mrs. R. B. Lathan and Mrs. W. F. Ehret were co-hostesses to the Auxiliary of the Sunflower Blue Goose puddle in Wichita at the home of Mrs. Lathan.

No man was ever glorious who was not laborious.

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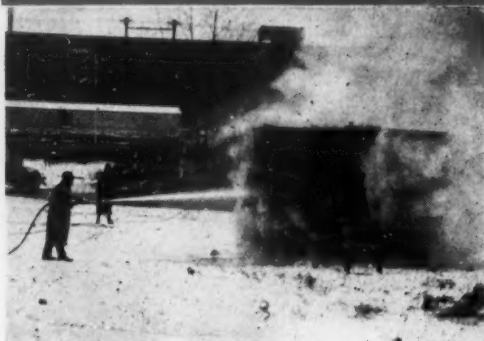
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2 Within a few seconds, the fog has done its work on fire inside structure. Its effect can be seen from steam pouring out.



3 Fireman adjusts nozzle for wider fog pattern as he moves in closer. Fire has already been knocked down and is ready to be cleaned up.



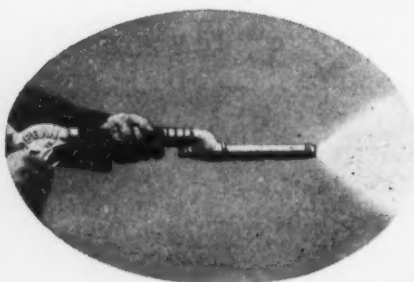
4 Fire's out! Blaze completely extinguished and fireman using fog on sofa removed from building. All this in less than 30 seconds!

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The amazing efficiency of 600 lb. nozzle pressure of fog has been tested and proved over and over again in hundreds of fires throughout the country. A large percentage of these fires would have been total losses without 600 lb. nozzle pressure.

In every instance it has been demonstrated that this new, perfected fire-fighting technique is many times faster and more efficient than low pressure streams. Under 750 to 800 lbs. pump pressure, water particles are atomized so fine that one gallon absorbs up to 35 times more heat than same amount of low pressure water. The cooling effect of this is tremendous, and the fog is so completely used up that water damage is eliminated.

FMC Fog Fire Fighters are completely equipped, precision engineered, self-contained units. Plan now to have this modern fire protection soon as the war ends. Get details now from: John Bean Mfg. Co., Lansing, Michigan or Bean-Cutler Division of Food Machinery Corp., San Jose, California.



FMC FOG FIRE GUN. Trigger action and adjustable fog give fireman instant control of stream to any degree desired. Photo shows gun adjusted to close-up fog for closed areas.

★ ★ ★
FMC FOG FIRE-FIGHTER TRUCKS are built in several models — light, compact, low cost. This unit specially designed for fighting all types of small town, rural and airport fires. Carries up to 400 gallons of water with attachments for taking water from any available source.



Manufacturers of high pressure crash trucks for gasoline fires, and decontaminators for war service.

FMC *Original* **FOG FIRE FIGHTER**
FOOD MACHINERY CORPORATION

JOHN BEAN MFG. CO. DIVISION, 742 HAZEL ST., LANSING 4, MICH. • BEAN-CUTLER DIVISION, 442 JULIAN ST., SAN JOSE, CALIF.

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